



 Jobberman

Nigeria's informal SECTOR

A Pathway to Sustainable Economic
Transitions for Young People

Jobberman Nigeria Report - 2024





Nigeria's Informal Sector: A Pathway to Sustainable Economic Transitions for Young People

2024





Table of Contents

Acknowledgements	4
Who We Are	6
About Young Nigeria Works	7
Our Numbers	8

Introduction	10
Approach and Methodology	13
Conceptualising the informal Sector	21
Overview of the informal sector in Nigeria	32
Market analysis of Nigeria's informal sector	41

Nigeria's Informal Sector: Emerging trends and Drivers of Growth	51
Digitisation and Informal Employment	64
Evidence for optimization and interventions	71
Appendix- Sector profiles	81
References	94



Acknowledgements

This report was prepared by Jobberman's Research team -

Ayokunle Omoniyi - Monitoring, Evaluation, Research and Learning (MERL) Lead

Olamide Adeyeye- Research Strategist

Glory Aiyegbeni - Senior Consultant, MERL

Adebola Ayodeji-Latona - Senior Consultant, MERL

Abdullahi Ibrahim - Senior Consultant, MERL

Justice Ellis Eyo - MERL Associate

Michael Toryila - Research Associate

The team benefited from the insights from TATC & Jobberman technical staff -

Ore Boboye - CEO, Jobberman Nigeria

Hilda Kabushenga - CEO, The African Talent Company (TATC)

Ahmed Alaga - Head, Partnerships - Africa The African Talent Company (TATC)

Oladoyin Kolawole - Head, Strategy, Jobberman Nigeria

Olanrewaju Sanni - Senior Business Intelligence Analyst

Lucky Ekanem - Design Lead, The African Talent Company (TATC)

Damilola Abati - Head, Marketing, Jobberman Nigeria

Bukola Okikiolu - Communications Specialist, Jobberman Nigeria

Henry Egbe - Design Lead, Jobberman Nigeria

Additional guidance was provided by-

TVC consult

Gospel Obele- CEO Streetnomics

Femi Balogun- MEDA MERL Specialist-Mastercard Foundation Africa Growth Fund

*Pictures were sourced from [Unsplash](#), [Shutterstock](#) and Jobberman's activities
Infographics and designs were done by [Glory Aiyegbeni](#) and [Henry Egbe](#)*



Additional guidance and contributions were provided by

Abubakar Wada Kadi- Transportation Business Owner

Abdullahi Lawal- Over 40 years of experience in welding and transportation

Abner Philips- Sound Engineer and Learning and Development specialist

Aisha Ibrahim- Agricultural Economist at National Agricultural Extension and Research Liaison Service

Aisha Shehu- Policy expert

Aisha Aminu- Women entrepreneurship and management, affiliated with Dangote Business School

Amina Sani Bashir-Fashion and Agribusiness owner

Dr Saied Tafida- Co-founder Follow Taxes/ OGP (Open Government Partnership)

Eyimisan Abusomwan- CEO, Runner

Friday Nwokolo- Head of Business Development FCMB Microfinance Bank (FMB)

Khalifa Mustapha- Founder, KDC Foundation, Kano

Nifemi Ojo- Senior Product Manager-FairMoney Business

Ms Ayokanmi Ayuba- Country Director, Technoserve

Prof Folashade Coker- Policy expert

Richard Abubakar Umar- Policy, R&D Expert

Shehu Shittu Mohammed- Operations manager Royal Blue contractors

Tobi Dada- Creative Director, TD Filmworks



Who We Are

We are Nigeria's leading career development and recruitment solutions company.

Founded in 2009, Jobberman's services have grown over the years with an attendant success rate, which has helped us remain the No. 1 recruitment platform in Nigeria, with over 3.1 million candidates and 93,000+ employers.

We are part of the African Talent Company (TATC). TATC is a group of Pan-African businesses working together to solve the talent gap in Africa with unique, home-grown solutions.

We consider ourselves PACE setters and thus our core values: Performance, Accountability, Continuous Learning, and Excellence.

Jobberman leverages technology and data-driven recruitment solutions to work with employers to ensure that the right person is placed in the right job most efficiently. Thus, resulting in increased workplace productivity.

Jobberman provides:

- Access to a large pool of candidates
- Excellent data on candidates to aid decision-making
- An experienced team of professionals serving you
- Access to both local & international talent



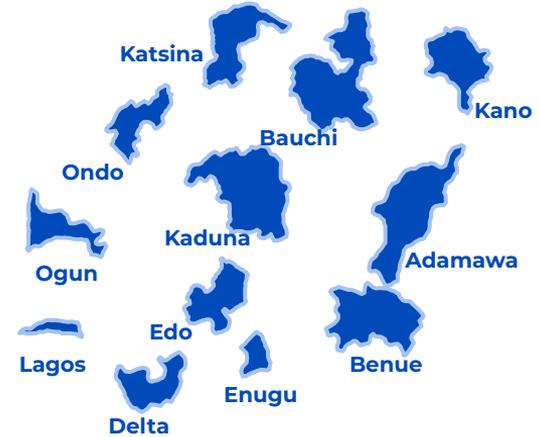
About Young Nigeria Works



In January 2020, Jobberman Nigeria partnered with the Mastercard Foundation **Young Nigeria Works** Strategy. This initiative aims to equip young women and men with the skills and knowledge to access jobs, grow businesses, and expand economic opportunities.

The partnership's goal is to **train 1.8 million young people in Nigeria (with 70% focus on women) and enable 414,000 of them to secure dignified and fulfilling work by 2025.**

The project is being implemented in twelve states including:



The project is focused on the following target sectors:



Agriculture



Creative



Digital

Since inception of the project, we have achieved the following:



Job Placements
+507,169



Soft Skills Participants Trained
+1,918,339



Youth Engagement via events
+800,00



Published reports
9



Our Numbers



Seeker Profiles
+3,100,000



Registered Employers
+93,000



Applications per Job
+90



Job Applications Yearly
+985,653



Most represented age group

Millennials: 60% of our database is between 26-40 years

Fastest growing segment

Fresh graduates between 19-26 years account for ~50% of our joiners each year

Qualifications

60% of candidates in our database have a Bachelor's Degree & above





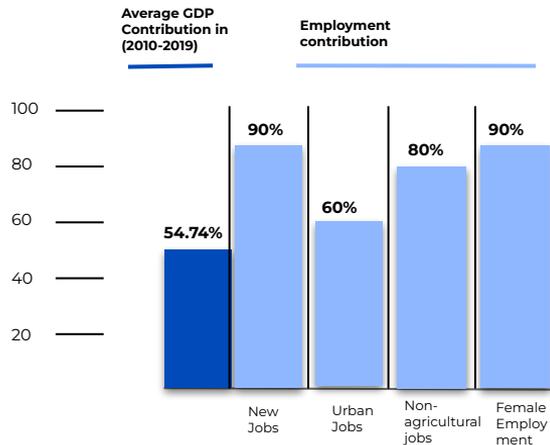
Introduction



The **informal sector** has earned the economic spotlight of many developing countries partly because of its employment potential and laden precariousness. Preceded by imagery of poverty, irregular incomes, low earnings, bad working conditions and lack of protection, over 80% of all employment in Africa and 85% in Sub-Saharan Africa is informal (UNDP, 2022). In Nigeria alone, the informal sector accounts for about 90% of all new jobs, 60% of urban jobs, 50% of the nation's GDP, and 80% of all non-agricultural employment. In Lagos state, the Nation's economic capital, about 3 in every 4 employment is informal (IMF, 2021). Despite the opaque nature of operations in the informal sector, it has dominated employment trends for over five decades, providing critical economic opportunities and plotting survival pathways for millions of youth, women and the most vulnerable populations.

The prevalence of informality in Nigeria's employment and economic structures has gained policy attention, however, the informal sector remains overlooked and largely **misunderstood**. The drop in Nigeria's unemployment rate to 4% in 2023, as reported by the NBS, has been attributed mainly to the recognition of informal work in NBS's new methodology (NBS, 2023). According to NBS, 76.7% of employed Nigerians were engaged in 'some type of job' for at least one hour a week for pay or profit, with self-employment having the largest share at 75.4%. The rate of informal employment among the employed population in Q1 2023 was 92.6% (NBS 2023). As Nigeria grapples with a staggering economy and decent work deficits, building an inclusive, resilient, sustainable and prosperous economy demands an adequate understanding of the rationalities and trends driving the growth of the informal sector.

Fuelled by unfavourable macroeconomic conditions, post-COVID employment trends, and accelerated digitisation, the dynamics of the future of work are looking largely **informal**. The budding innovation and entrepreneurship ecosystem and quest for more creative, optimal and flexible work expressions is significantly shifting youth and women's employment choices away from rigid formal employment structures. As economies become more globalised, the casualisation of the labour market has become inevitable, with a greater proliferation of gig jobs, part-time and casual employees. These trends are expanding informality beyond the rising number of informal enterprises to the growing informalisation of work.



The informal sector has dominated employment trends for over five decades, providing critical economic opportunities and plotting survival pathways for millions of youth, women and the most vulnerable populations.

According to NBS, **76.7%** of employed Nigerians were engaged in some type of job for at least one hour a week for pay or profit, with self-employment having the largest share at **75.4%**.





Policy measures aimed at formalisation have not significantly tilted the market dynamics in over five decades despite the plethora of micro-enterprise policy reforms. Historically, economic policies have conformed to traditional prescriptions from international financial institutions (IFIs) such as the World Bank and IMF. These recommendations mainly emphasise streamlining regulations for an easy transition into the formal economy and offering new entrants potential infrastructure, finance and welfare benefits. **Beyond the expansion of survivalist enterprises and workers, the structural conformity of the informal economy still lingers owing to a thriving traditional economy characterised by indigenous entrepreneurship and employment models and an expansion of new creative industries fostered by youth agency and digitisation.**

The informal sector is strongly characterised by creativity, resilience and a vibrant entrepreneurship landscape. From being a seedbed for local innovations to commercialising Indigenous knowledge, skills, experiences, and products, young people have continued demonstrating agency for socio-economic transformation. Digitisation has also disrupted informal work, facilitating the formal aggregation of informal workers, democratisation of upskilling platforms and mental shifts from side hustles to permanent work. **These trends have sparked national and regional policy attention to the sector's potential as an untapped engine for job creation, talent optimisation, and entrepreneurship.**

Harnessing the sector's potential demands innovative, comprehensive and locally adapted policies and interventions. Dominant perspectives mainly depict informality as a threat to sustainable economic growth and global competitiveness. This is due to the loss, waste and suboptimal utilisation of human and material resources that emanate from unrecognised, ill-defined or inefficient production and employment structures. As alternative structures for talent and resource management continue to expand, the evolution and expansion of informality in Nigeria's labour market leaves critical questions around employment transitions and structures especially for youth and women.

Mindful of the multifaceted challenges of the sector, empirical evidence suggests that informal jobs rarely lead to better employment and are the hardest to escape for the most disadvantaged members of the workforce. However, optimising this sector is critical to achieving improved socio-economic outcomes for youth and women in Nigeria and Africa at large. In this regard, Jobberman Nigeria, as part of its thought leadership effort, launched a study to explore the potential of *'Nigeria's Informal Sector as a pathway to sustainable economic transitions for young people'*.

The study seeks to advance an understanding of the rationalities and trends driving the evolution and growth of the informal sector, especially for youth and women across Northern, Southern, Western, and Eastern Nigeria. It examines their implications for jobs and skills and policy adjustments required for better incomes and employment experiences for youth and women in Nigeria.

The study seeks to answer the following specific questions;

1. What is the nature of Nigeria's informal sector?
2. How are talents thinking about the sector, and what informs their engagements?
3. What trends are currently driving the evolution and growth of the informal sector in Nigeria? What implications would this have for regulators and development interventions?
4. What implications do globalisation and digitisation have on the informal sector?
5. How can the informal sector be optimized to facilitate economic transformations and accelerate the transitions of young people, especially women, into dignified and fulfilling work?



Methodology



Conceptual clarification

The term **enterprise** refers to any unit engaged in the production of goods and services for sale or barter. It covers not only production units, which employ hired labour, but also production units that are owned and operated by single individuals working on their account as self-employed persons, with or without the help of unpaid family members. The activities may be undertaken in identifiable premises or unidentifiable premises or without a fixed location. For instance, self-employed street vendors are considered enterprises.

From a policy perspective, the notion of **decent work** or **dignified work** is central to the classification of employment into formal and informal categories. The term was initially coined by the ILO to refer to work that is paid and protected according to minimum legal and moral standards of economic security and social dignity for workers and their dependents. Based on the Mastercard Foundation framework, **dignified work entails four markers including reliable income, and at least one additional marker including reputable work, respect in the workplace and sense of purpose.**

The informal sector includes all legitimate economic activities and services **that are unregulated or are insufficiently covered and recorded for tax purposes** by formal institutional arrangements (e.g. Street vendors and other self-employments in small unregistered enterprises).

For the purpose of this research, the informal sector includes **traditional and emerging forms of business and employment structures that are unofficial-institutionally unrecognised or not properly integrated into formal institutions.** Informality also depicts the resilience of youth, women and other marginalised groups that exist amidst social, geographical and economic exclusion.

Our conception of informality excludes criminal economy and does not cover illegitimate or illicit trading of goods and services considered as criminal. For example, undeclared profit or earnings from prostitution, pimping, drug trafficking, human trafficking, internet fraud etc.

Informal sector enterprises are primarily described as small and unregulated. They include businesses that are not legal in the strict sense of lacking business registration and tax payment, but engage in the production and distribution of lawful goods and services, having a share in the market economy. **However, informal sector enterprises may also be registered but 'invisible' due to poor integration with formal institutions or existence of atypical enterprise culture, employment structures and regulatory practices.**

Emerging business structures describes new creative industries and business models in budding stages of organisation, and development. It includes unorganised and organised businesses with undefined employment regulatory structures and practices. Emerging business structures also include self-employed individuals or entrepreneurs who manage all aspects of their businesses independently and typically do not focus on scaling up- YouTubers, podcasters, personal trainers, content writers, and similar professionals. They often utilize gig work and freelance models to hire for specific projects if they have to.

Informal sector activities generally refers to underground activities (legal but deliberately hidden for tax purposes). While this research excludes illegal production - production activities forbidden by law, **It is widely acknowledged that in developing economies most informal sector activities are neither underground or illegal, as they represent simply a survival strategy, traditional economic approach or organisation of emerging businesses.**



The informal labour force includes the self-employed in informal enterprises as well as the wage labourers employed in informal jobs (that is, unregulated and unprotected) in both urban and rural areas (Chen et al. 2005; ILO 2002). Informal labour markets encompass rural self-employment, both agricultural and non-agricultural; urban self-employment in manufacturing, trade and services; and various forms of informal wage employment (including casual day-labourers in construction and agriculture, industrial outworkers, and more), content creators, podcasters, personal trainers etc.

Employees are considered to have **informal jobs** if their employment relationship is in law or practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice dismissal, paid annual or sick leave, severance pay, etc.). Informal jobs also include casual jobs or jobs of limited duration; jobs with hours of work or wages below a specific threshold (e.g. for social security contributions); employment by unincorporated enterprises, or by persons in households, out workers without employment contracts or jobs for which labour regulations are not applied, not enforced, or not complied with for any other reason.

Informal employment, **classified by employment status**, includes, **self-employed-** employers of informal enterprises who hire others. **Own-account workers-** owner-operators in single-person units or family businesses/farms who do not hire others; **unpaid contributing family workers-** family workers who work in family businesses or farms without pay; **wage workers-** informal unprotected employees with a known employer: either in an informal enterprise, a formal enterprise, a contracting agency or a household; **casual wage workers-** wage workers with no fixed employer who sell their labour on a daily or seasonal basis; and **industrial out workers-** subcontracted workers who produce for a piece-rate from their homes or small workshops.



Methodology

The research studied the informal sector across the agriculture, creative, and digital sectors, recognised as sectors with the highest potential for job creation, especially for youth and women. The study included the 'others bloc', which consists of the Transportation and Artisan subsectors. The methodology engaged paper surveys, Focus group discussions (FGD), and Subject Matter Expert Interviews as the primary sources of data collection. We also reviewed relevant literature and policy documents extensively as secondary data sources.

The survey structure was derived from the IMF Policy paper on the guidelines for measuring the informal economy (2021) and the International Labour Organisation (ILO) guidelines of the 19th International Conference of Labour Statisticians (ICLS) Resolutions 2. To inform a more locally adapted tool, the research team made some modifications to the language and questions and included additional questions to assess the state of the informal sector and informal employment across the focal industries and regions.

The surveys were cross-sectional (one-off), self-administered, and deployed by a third-party agent based on a sample size of 8,300. Enumerators were deployed to defined urban, semi-urban and rural areas with some representation at random locations. The survey targeted employers (45%) and employees (55%) (including entrepreneurs/self-employed individuals) across the 5 focal sectors in 8 focal states, including Lagos, Kano, Kaduna, Rivers, Abuja, Oyo and Ogun states.

In some cases, enumerators interpreted questions and options in local dialects to aid apt understanding and intended responses. The team held FGDs and Subject matter Expert interviews across five focal states, with 100 participants in each sector and 500 participants in total across the five states. About 15 seasoned industry experts were also interviewed, and they provided insights into existing trends shaping the informal sector.

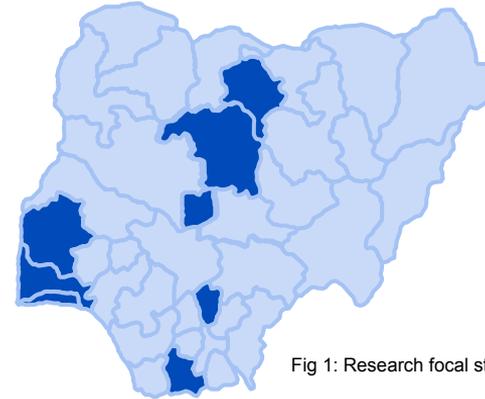


Fig 1: Research focal states

Method:

Quantitative and Qualitative

Nature:

Surveys, KIs, and FGDs

Survey sample- Employer 2,684, Employee 5,622





Methodology Brief: Northern Nigeria

Sampling

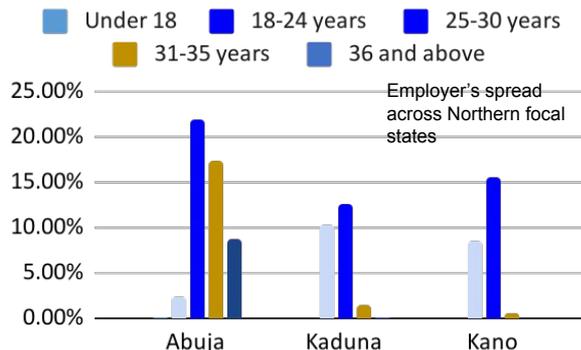
The research focal sectors were understudied in Northern Nigeria-Abuja, Kano and Kaduna. The research leveraged the predominant economic activities in the state and region to determine the spread across the states in the region. For instance, crop production is a dominant agricultural practice in Northern Nigeria. A total of 475 employers and 682 employees were surveyed in Abuja, 231 and 556 in Kano and 230 and 556 employers and employees, respectively, in Kaduna, with over 300 participants who attended both FGD sessions and interviews.

Demography

Across the Northern bloc, we targeted youths and women in open markets, outdoor business clusters, and informal, structured businesses. They were either self-employed, employees, or employers in the rural, semi-urban, and urban areas of Abuja, Kano, and Kaduna, representing 15.75%, 9.94%, and 10.57%, respectively, of respondents captured in the digital, creative, and agriculture sectors, respectively.

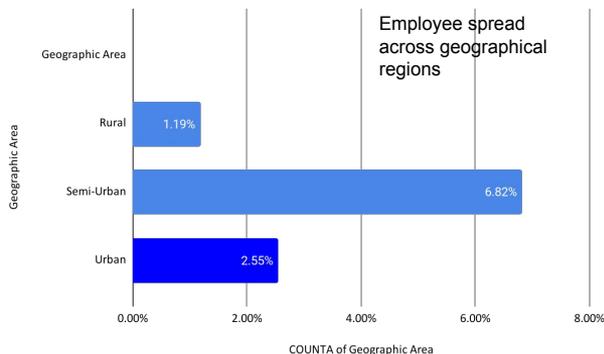
Geographic Profile

The study reached employees in rural, semi-urban, and urban areas, representing 5.16%, 22.35%, and 8.74% of respondents captured in the digital, creative, and agriculture sectors, respectively. These covered areas include Garki, Lugbe, Gwagwalada, Area One, Nyanya, Mararaba, etc., in Abuja, within and outside the central business district in Kano, and Northern and Southern Kaduna, including Zaria and Kafanchan, among others.



Demand Side Data

Location	No.
Abuja	475
Kano	231
Kaduna	230



Supply Side Data

Location	No.
Abuja	682
Kano	556
Kaduna	556



Methodology Brief: Southern Nigeria

Sampling

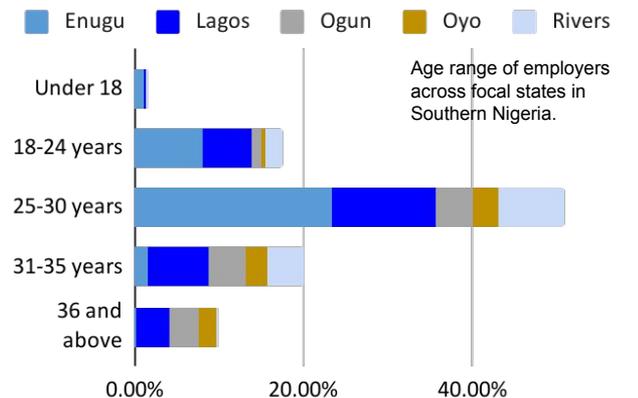
Like the Northern bloc, the research focal sectors were understudied in the Southwest (Lagos, Oyo and Ogun) and other South/Southeastern states (Rivers & Enugu). The research leveraged the predominant economic activities to determine the spread across the states in the region. A total of 525 employers and 953 employees were surveyed in Lagos, a total of 230 employers and 563 employees were surveyed in Oyo, and A total of 230 employers and 574 employees were surveyed in Ogun state. For the other southern bloc, a total of 230 employers and 584 employees were surveyed in Rivers. A total of 533 employers and 930 employees were surveyed in Enugu.

Demography

Across the Southern bloc, we targeted youths and women in open markets, outdoor business clusters and informal, structured businesses. They were either self-employed, employees or employers in rural, semi-urban and urban areas of Rivers, Enugu, Lagos, Oyo and Ogun states, representing 10.78%, 17.24%, 14.86%, 10.29% and 10.57% of respondents captured in digital, creative and agriculture sectors respectively.

Geographic Profile

The study reached employees in rural, semi-urban and urban areas, representing 8.69%, 19.93% and 35.12% of respondents in digital, creative and agriculture sectors, respectively. The covered areas include Lagos, Surulere, Yaba, Festac, Ojo, Ikeja, Iyana-Ipaja, Lekki-Ajah, etc. For Oyo; Challenge, Dugbe, Ring Road, Mokola, Bodija etc. For Ogun, Abeokuta, Oke-mosan, Lafenwa. For Rivers: Rumuodara, Ahoada, Eleme, Igbo Etche etc. For Enugu; Nsukka, Enugu North, Enugu South, etc.



Demand Side Data

Location	No.
Lagos	525
Oyo	230
Ogun	230
Rivers	230
Enugu	533

Supply Side Data

Location	No.
Lagos	953
Oyo	563
Ogun	574
Rivers	584
Enugu	930



Secondary Source of Data:

To understand the emerging evidence within the literature, we engaged several secondary sources;

1. Review of relevant publications, including CBN, ILO, IMF, AU, BOI, and World Bank reports. We also engaged reports from relevant development agencies like NDE and ITF on the informal sector.
2. Data Repository (National Bureau of Statistics - NBS & State Data Board)
3. Journal and market-relevant articles
4. Policy Documents
5. Internal Documents: Jobberman baseline report and soft skills training reports, sector reports and skills gap analysis, and gender analysis.

Limitations and Mitigations

1. Insecurity: The state of security, especially in some of the northern states, presented some challenges for mobility especially in rural markets and an elongated survey period.
2. Survey fatigue: Attention was given to brevity while designing survey questions to avoid survey fatigue by respondents.
3. We onboarded key traditional stakeholders to facilitate easy entrance and engagement with informal workers.

To overcome these limitations, interviews were conducted for context, and emerging evidence from the literature helped provide further insights into the study.





Conceptualising the Informal Sector



Conceptualizing Nigeria's Informal Sector

The **informal economy** refers to all economic activities (excluding illicit activities) by workers and economic units that are in law or practice not covered or insufficiently covered by formal institutional arrangements.

[Conventional views](#) use the term 'informal sector' to describe a group of industries and occupations characterised by the absence of, or noncompliance to, regulatory frameworks that make jobs, enterprises and workers visible to the state. These frameworks mainly cover government procedures for business registration, national labour legislation, income taxation, social protection and health, safety and environmental standards.

The informal sector is dominated by enterprises that operate on a small scale and are characterised by ease of entry and exit in highly competitive markets. While informal enterprises typically operate without binding regulations they may regulate themselves internally. **The informal sector extends beyond unstructured microenterprises, street hustles, specific occupations or economic activities. The sector is essentially distinguished by its approach to production, labour utilisation and resource management. It is mainly marked by reliance on creativity, talent, skills outside formal education, indigenous resources, alternative production techniques and adapted technology.**

[Historically grounded](#) in the presumption that the informal sector was a temporal consequence of modernisation destined to fade away with economic growth, the informal sector traditionally became synonymous with a deplorable economic net for workers unable to gain formal education and employment. The formalisation of Nigeria's labour market has meant institutional shifts from traditional skills, jobs, and market practices to cutting-edge industries with reliance on formal education as the critical pathway to bridging the gaps between rural economies and a promising economic future. Owing to this, informality has not only expanded but has continued to evolve with multifaceted expressions.

In Nigeria, informality has become strongly recognised as the resilience of youth, women and other marginalised groups that exist amidst social, geographical and economic exclusion. Women make up about 70% of the informal labour force, with engagements mainly tied to thriving traditional markets and the patriarchal structure of formal work arrangements. More women are entering the labour force in marginalised contexts, with engagements in the agriculture, creative and services industry. In these contexts, informality is the absence of recognition and supportive structures to fully harness the potential for business growth.

Infrastructure and institutional gaps in the formal economy and poor macroeconomic conditions are facilitating a rise in survivalist enterprises and changes in the organisation of work, production, and reward systems. Nigeria's oil-dependent economy provides minimal local additions and contributions to GDP and employment. The past decade has also witnessed a decline in the industrial sector's share and an expansion of the services sector, causing an overall decline in formal employment and an increase in casual and non-standard employment. With [over 60%](#) of the population living in multidimensional poverty, the most vulnerable populations turn to street vending or offering casual labour to make ends meet.

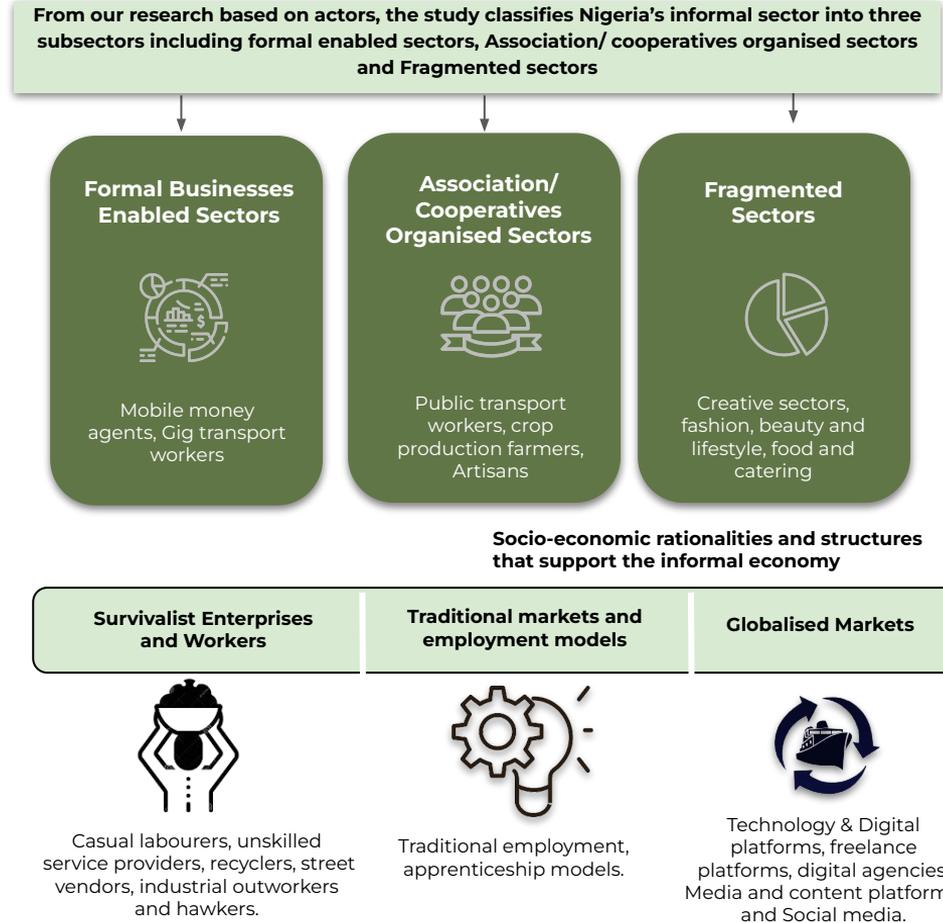
Beyond survivalist enterprises, digital platforms and traditional employment models are redefining the scope of informality. Through disruptive business models, digital platforms are facilitating access to local and global markets, expanding the gig economy. Digital platforms help organise and dignify vocational skills and technical skills, and forge new markets for unconventional skills. With gigs becoming a preferred work structure for young people, these platforms aid the transformation of side hustles into more structured work and employment. Similarly, traditional apprenticeship systems facilitate small business start ups and serve as reputable avenues for upskilling, business incubation, and poverty alleviation in many communities.



Mainly driven by necessity and the quest for creative economic expressions, young people continue to create and explore new economic activities and ways of working, especially in the creative, digital, agricultural and services industries. **As ingenuity meets digitisation, formal-informal market interactions creates opportunities for market innovations and entrepreneurship in formal and informal markets.** The rise in technology businesses in Nigeria aimed at optimising the informal sector is evidence of the sector's budding potential in opportunities for market innovations, enterprise development and job creation as seen in fin-tech and creative industries among others.

The National Bureau of Statistics adopts a sectoral analysis of the informal sector across about 27 sectors. **This study adopts a framework that classifies the informal sector's actors, industries and occupations based on the type of organisation and value chain activities. It also captures the rationalities and socio-economic realities that inform engagements in the sector with a focus on Agriculture, Creative, Digital, and Artisan sectors.**

In terms of the **structural organisation**, based on the research on actors within the informal sector, **the study classifies Nigeria's informal sector into three sub-sectors, including Formal business enabled sectors, Association/ cooperative organised sectors, and Fragmented sectors.** In terms of **rationalities and socio-economic conditions**, the informal sector is typified by **survivalist enterprises and workers, traditional markets and employment models and globalised markets.**





An overview of the Actors within the informal sector



Informal Workers

Informal workers account for the largest portion of the working population in most markets, with their rationale for engagement widening and increasing, from survivalist, additional income needs, religious or familial setups to the opportunities provided by technology. The biggest participants are young people and women.



Informal Work Suppliers

Informal work suppliers can be either informal or formal in their setup. The informal work suppliers from the formal sector have been the fastest-growing contributors in terms of work supply in the past few years. In most cases, the contract or set up with informal workers is very temporary and short-term.



Associations, Cooperatives & Other Gatekeepers

Gatekeepers remain essential in the sustainability of informal work, with activities ranging from knowledge sharing, advocacy and policy. There are also sectors where the informal sector will not exist without the presence of gatekeepers, who act as middlemen and aggregators between the informal workers and the work suppliers



Government

The government and its agencies play a huge role in the recognition of informal work, the sustainability of the sectors, and the eventual formalisation of these sectors. The range of activities and policies extend from social protection (income, benefits, insurance, work environment standards) to funding in a way that pulls in other actors in the ecosystem (informal workers, work suppliers and gatekeepers)



Survivalist Enterprises and Workers



Survivalist workers and enterprises are the most vulnerable segment of the informal labour force based on social indicators like poverty, access to education and skills, and available opportunities. Survivalist workers are prone to the most precarious and discriminatory forms of employment. They engage in long hours of laborious work with discriminatory payment systems in hazardous working conditions, usually public spaces. They may include waste pickers and industrial outworkers. Transitioning into decent jobs is the hardest for this segment of informal workers. However, access to vocational or technical skills and entrepreneurship capacity building is considered the most effective means of improving socio-economic outcomes.

Young people also use the term “survivalist” to depict a hustle mentality or economic activities misaligned with career aspirations and driven by poverty and the absence of social security. “When the desirable is not available, the available becomes desirable” is a statement that was re-echoed on city streets across regions of the country. Insights from engagements with young people show that access to organised, profitable, creative businesses across jobs they consider ‘hustles’ redefines aspirations, increase business attractiveness and fosters entrepreneurship growth even in seemingly unattractive trades

Traditional Markets



Traditional markets are a complex distribution network of open market traders, micro-retailers, shops, hawkers, wholesalers and distributors, with women as key players across regions of the country. From open markets like the famous Balogun market in Lagos, Kurmi market in Kano and Onitsha Main market in Anambra, traditional trade outlets remain the biggest segment in most markets across major value chains. As of 2017, Alaba International Market, Lagos, the largest electronics market in West Africa, had over 10,000 merchants producing about four billion dollars of turnover annually.

Traditional markets offer a unique value proposition that includes flexibility, adaptability to market demands, and strategic location. Major producers have built distribution networks around traditional retailers, and more organisations are developing business models to serve traditional traders. Recognising existing traditional informal market structures is paramount to enhancing supportive policies for informal markets. Critical infrastructure and regulatory gaps exist, however, growth in business innovations (both digital and localised market initiatives), especially in payment systems, record keeping, sales, and marketing, is further expanding opportunities for local markets..



Indigenous Employment Models



Nigeria has a strong enterprise culture that places high value on the apprenticeship system and independence through small business start-ups. The system is founded on social contractual agreements and is common across major industries, including agriculture, crafts and artisanal trades. As a part of his social responsibility, a master craftsman provides the training, experience and resources required for young people to set up a small business. The Igbo Apprenticeship System (IAS) is recognised as the largest business incubator in the world, producing some of the biggest business tycoons across industries in Africa. In Northern Nigeria, the apprenticeship model is communal, with some engagement of the “Almajiri” in basic trade, crafts and artisanship.

In contemporary times, the apprenticeship model could serve as a flexible training approach to meet dynamic industry needs. Distinguished by experiential learning, apprentices gain practical market knowledge with soft skills like problem-solving and critical thinking. However, business owners complain of high dropout rates, especially in the North and Southwest, due to training duration, earning potential and social attractiveness of artisanal skills. However, employers are leveraging social media, incorporating modern technologies into traditional craftsmanship and improving evaluation metrics.

Globalised Markets



The globalisation of markets and increased technology adoption are expanding opportunities for workers and shifting the employment and business landscape in almost every industry. Digital platforms are facilitating access to local and global labour markets, affording individuals with specialist skills the opportunity to work as freelancers in the gig economy. With over 84.6 million broadband subscribers in Nigeria as of 2022, numerous unemployed youth have the potential to enter the gig economy easily.

While gigs have become a preferred work structure for many young people due to their flexibility, there are growing concerns about the potential negative impact on the fragile employment landscape since standard labour regulations do not cover workers. The government faces dual challenges in helping shape Nigeria’s gig economy to leverage job opportunities from digital freelance platforms and other technologies. However, digital platforms support the aggregation of informal workers and youth transitions from side hustles to more permanent employment in the informal sector.

 From our research, based on actors, there are 3 core classifications of informal sub sectors

Primary value chain actors

Examples

Formal businesses enabled sectors



Formal sector business, aggregators

Mobile money agents, gig transport workers

Association/Cooperative organized sectors



Associations, government

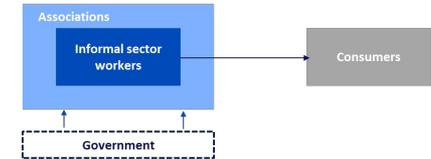
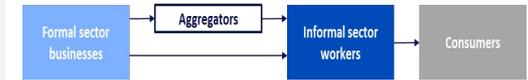
Public transport workers, crop production farmers

Fragmented sectors

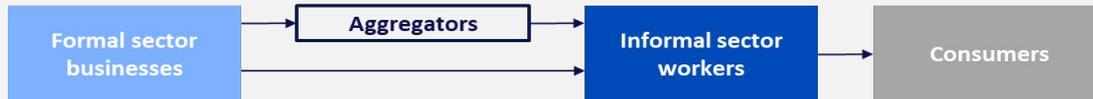


Digital and community/in person influencers

Fashion, beauty, entertainment/creative sectors



- Workers in this sector have very strong relationships with formal sector players/enablers
- The formal sector players have significant control over how the informal workers operate and/or how they earn
- Examples include mobile money agents (enabled by Super agents & MMOs); Gig transport workers (enabled by platforms like Uber, Bolt etc)



Key actors

- **Private and formal businesses**, whose growth are determined by the effectiveness of the informal sector workers, and when these businesses grow the formal sector grows
- **Aggregators**, who are in most cases required to recruit these informal sector workers, and act as middlemen between the private/formal sector businesses and the informal sector workers

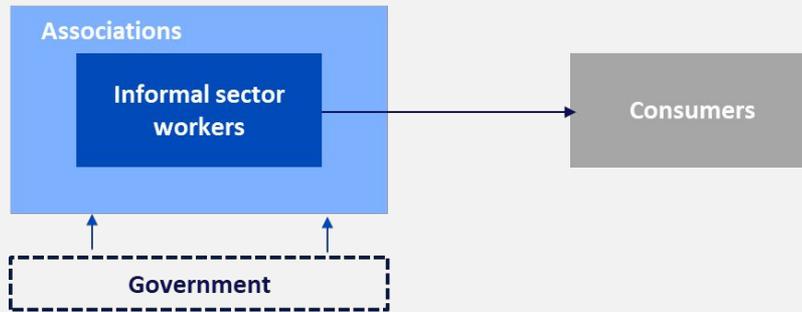
Samples of intervention

- Opportunity **to rollout of skills training and toolkits** to drive increased income growth, rationalized as a way to drive retention of informal workers
- Opportunity to leverage the direct dependency formal sectors have with informal sectors, **by creating and deepening formal associations and cooperatives** to lobby both the formal companies and government for better protection and benefits to informal sector workers
- Opportunity **to leverage the aggregators as change agents**



Overview of the Association and Cooperative organized sectors

- Strong prevalence of industry groups/associations: Associations/groups can be at national or sub-national level
- Workers here have very strong affiliation and regular interaction with their associations (e.g. payment of dues; supplies etc) Associations in some cases also play a semi-regulatory role
- Examples include public transport workers (NURTW); Farmer cooperatives



Key actors

- **Associations**, who in most cases are a point of entry to these informal sub sector, and membership is in most cases necessary for the informal sector worker to operate
- The **government** has a strong affiliation with these associations with a degree of localized policy to guard the informal sector economy

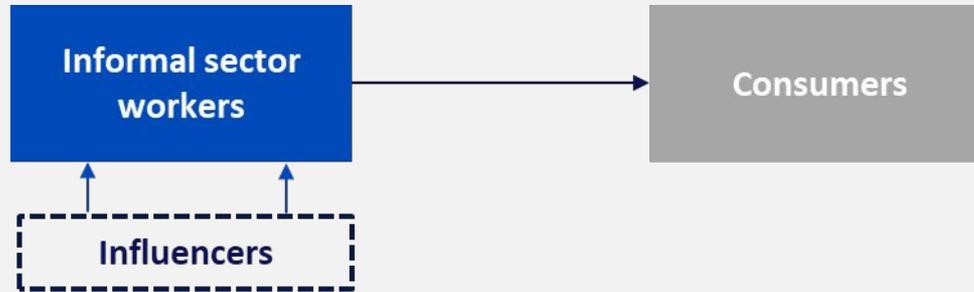
Samples of intervention

- Opportunity to design social benefits leverage to regular payment of dues already happening in these associations.
- Opportunity to utilize association and cooperative meeting for **information sharing and skills training**
- Opportunity to **deepen government policy making** within these informal sub sectors, given the existing affiliations



Overview of the Fragmented Sectors

- These sectors are highly fragmented with very limited organization
- Barrier to entry tends to be low+ Some associations exist, but their membership is limited (e.g., FADAN exists for fashion designers but most designers do not belong to it)
- Influencers exist in some of these sectors
- Examples include fashion, beauty, entertainment/creative sectors



Key actors

- **Influencers**, both digital and in person, who leverage social media (including WhatsApp telegram groups) and community meetings, for information sharing and skill trainings for the informal sector workers

Samples of intervention

- Opportunity to **create and support existing marketplaces** with technology infrastructure, go to market, skills training and social benefits
- Opportunity to drive skills training through a **multi-faceted approach**, leveraging influencers (social media and community/in-person), aggregators, events, and larger/formalized businesses within the sub sectors





Overview of the Informal Sector in Nigeria



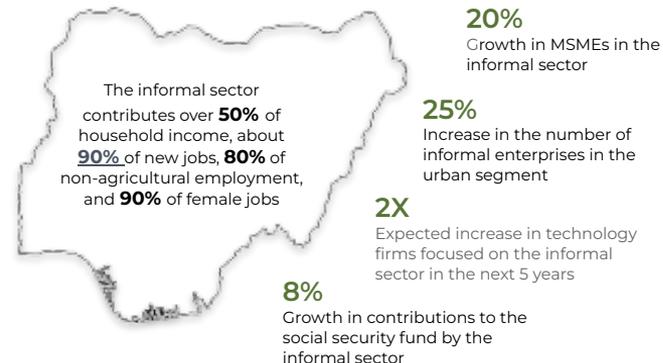
Current State of Nigeria's Informal Sector

The existence of a vibrant and creative youth population, growth in the number of technology firms aimed at optimising the informal sector, and a rich traditional ecosystem that supports small business start-ups are redefining the socio-economic realities in the informal sector. Over 80% of surveyed informal workers had formal education, and less than 1% had not completed primary or secondary education. The sector has witnessed a 25% increase in informal enterprises in the urban segment of the economy, a 20% growth in MSMEs, and about 8% growth in contributions to the social security fund. The number of technology firms focused on the informal sector is also expected to double in the next 5 years.

As of Q3 2023, only 12.7% of Nigerians are in wage employment (NBS 2023), and over 90% of the female-employed population are in informal employment. **18% of surveyed business owners left formal jobs to start their business, with 80% of them (40% women) attributing low salaries as the reason for leaving their formal jobs.** Self-employed individuals 50.53% make up the largest share of surveyed small businesses, 33.55% are employers with paid staff, and 12.91% are freelancers. The lack of flexibility, poor role definition, and poor rewards for skills, especially in the creative and digital industries, facilitate transitions into self-employment, gigs, or freelance work arrangements. Freelance platforms have further supported shifts towards digital informal work, leaving concerns around employment protection.

Informal businesses are highly specialised across value chains and are marked by intense, frequent, and diverse upskilling that aids in adaptability to market trends. In a highly competitive and unfavourable business environment, youth-led small businesses across the country leverage peer-to-peer engagements, creating niche networks on social media for business collaborations and skills development. Talents, especially in the creative and digital sectors, primarily view formal employment as a route to upskilling and developing entrepreneurship capacities. This trend facilitates the dearth of corporate loyalty and validates the decline in staff training since many companies find it challenging to ascertain ROIs on training. More than ever before, policies, interventions, and structures that support innovation and youth entrepreneurial capacities are critical to harnessing the budding socio-economic potential of the sector.

The informal sector continues to be a core part of the Nigerian economy



Ownership and Employment structure of surveyed Enterprises	Male	Female
Self-employed 50.53%	20.80%	20.34%
Employers 36.55%	17.42%	17.56%
Freelancers 12.91%	6.36%	6.50%

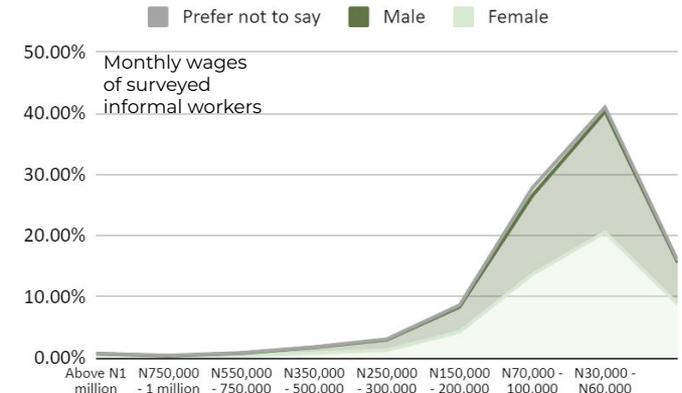


Informal Sector Workers

Extant literature has established a strong correlation between poverty and informality. However, not all informal workers are poor, and low incomes are not solely due to limited skills and inefficient structures. Across the regions and sectors understudied, about 16% of informal workers earn less than 30,000 naira every month, while most fall within the range of N30,000- N60,000. 39.61% of surveyed workers say they have just enough to cover living expenses without allowance for savings or investments, 31.14% do not have enough to cover personal expenses, and 5% say their income accommodates their needs and that of their dependents, savings, and investments. The sector's volatility is due to unfavourable economic conditions, and the enormous uncertainties businesses have due to an absence of a definite pool of jobs.

Informal workers often earn their income daily, seasonal, or per-job basis, significantly influencing their attitudes toward savings. Due to their irregular and unpredictable earnings, these workers prioritise immediate financial needs over long-term savings or investment in employment benefits. However, business owners are innovating to solve this challenge through informal incentives. **Across the country, small business owners provide informally structured welfare packages to manage the cost of living crisis.** Over 40% of employees benefit from support initiatives like a meal a day, payment of medical bills, and support with the ward's school fees. However, they are periodic and dependent on the employer's discretion. Contextualising and deepening awareness of micro pension plans and health insurance packages could support existing initiatives.

While 96% of surveyed informal workers have higher education, 58% of them are not employed based on a written contract. However, 46% noted that employees are rewarded and recognised fairly for contributions to business growth. Consistently, more employees across the country say they work in organisations registered as business names, and economic activities mainly occur in public spaces. About 57.92% work in shops, office spaces, or kiosks, 6.27% work from home (no designated workspace), 6.13% are mobile with no fixed location, and 12.87% have workspaces inside or attached to their homes. Over 50% of informal workers have engaged in at least one type of vocational training. However, only 24% have training certifications for their core skills.



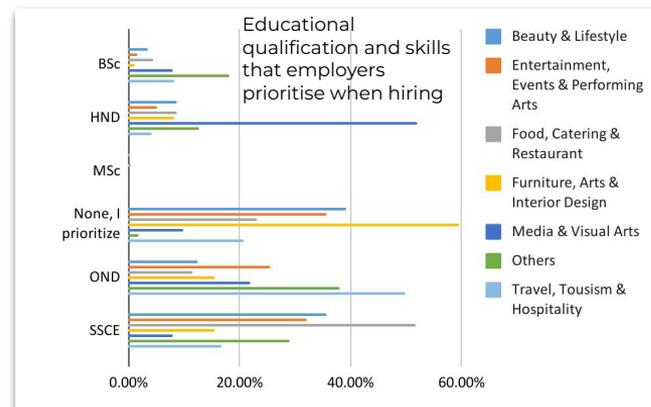
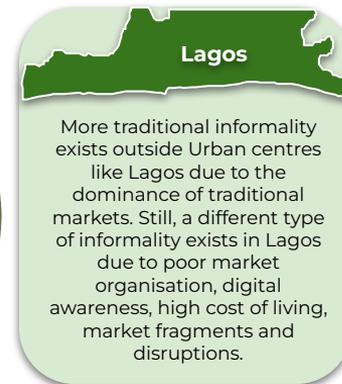
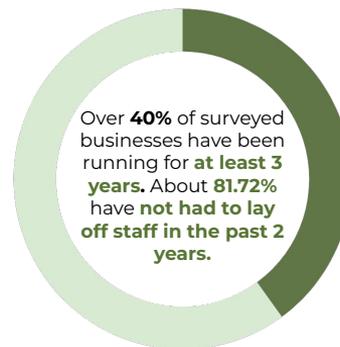


Informal Work Suppliers

Informal work suppliers can be either informal or formal in their setup. They may include technology-based and non-tech-based organisations. The informal work suppliers from the formal sector have been the fastest-growing contributors to the work supply in the past few years. The contract or set-up with informal workers is usually temporary and short-term. Informal work suppliers may include private and formal businesses, whose growth is determined by the effectiveness of the informal sector workers, and aggregators who are, in most cases, required to recruit informal sector workers and act as middlemen between the private/formal sector businesses and the informal sector workers.

Over 40% of surveyed businesses have been running for at least 3 years, and 81.72% have not had to lay off staff in the past two years. About 72% of employers with staff have full-time staff as the primary workers (76.19%) in addition to part-time (7.79%) and contributing family workers (6.49%). Across the regions of the country, employers prioritise technical and vocational skills when hiring. 39% of beauty and lifestyle employers do not require formal education, and 37% require SSCE certification. **More traditional informality exists outside urban centres like Lagos due to the dominance of traditional markets. Still, a different type of informality exists in urban centres due to poor market organisation, digital awareness, high cost of living, market fragments and disruptions.**

In agriculture, locals play a crucial role in facilitating access to raw materials, collaborating with associations and gaining market access. Small and medium-scale agribusinesses still leverage referrals from locals to manage hiring needs, especially for core agricultural production. The gig economy has seen significant growth in the services industry, with ride-hailing services like Uber and Bolt providing income opportunities for informal drivers. The past 5 years have also witnessed digital innovations and growth in digital platforms, facilitating access to jobs, skills and markets for informal workers, including local artisans.





Gatekeepers; Association and Cooperatives

“Gatekeepers” are the influential local personalities and structures that facilitate entrance, operations, interest, and opportunity in the informal sector. They include trade and market associations like the Market Traders Association of Nigeria, the ‘Iyaloja’ in western Nigeria, the [“Sarkin Kasuwa”](#), who administers specific market ecosystems in Northern Nigeria as turbaned by the Emir, and trade unions, among others. Some notable gatekeepers in Northern Nigeria include Ali Nuhu in the creative sector, the Dantata family in agriculture and trading, Dahiru Mangal in the transportation sector and Isa Ali Pantami in the digital sector.

The informal trade associations are organised and operate legitimised market systems with established rules and regulations deeply rooted in traditional frameworks. Entrenched in social networks, they coordinate critical market relationships that drive economic activities, contributing to their adaptability and continued relevance. They organise informal savings and informal lending known as “ajo, adashe or esusu”. These individuals and associations command a lot of influence and provide financial, administrative, and political functions with responsibilities ranging from overseeing market operations to maintaining order, safety, and security, as well as acting as intermediaries between trade groups and the government at the state and local levels.

Especially in urban contexts, young people are generally unaware of existing traditional associations. Beyond lack of awareness, many refrain from engaging with them, citing their perceived conservatism and resistance to innovation. They perceive these associations’ objectives as misaligned with their goals. These associations may be slow to adapt approaches and organisations to emerging industry trends. Young people also perceive local associations as vehicles for [extortion](#), burdening them with membership levies and fees without commensurate benefits. However, talents actively foster networks across sectors locally or on digital platforms to leverage collective strengths. Although these associations and unions have been termed [exploitative](#), many local traders and service providers are indebted to them due to their credit facilities, training, apprenticeships, and [protection](#) support.

Gatekeepers command a lot of influence and provide financial, administrative and political functions with responsibilities ranging from overseeing market operations, maintaining order, safety and security and acting as intermediaries between trade groups and the government at the state and local levels.

Young people generally perceive these associations as hindrances to progress, especially in adopting advanced technologies like social media and online marketplaces, and mere vehicles for extortion, burdening them with membership levies and fees without commensurate benefits.

Especially in urban contexts, young are generally unaware of existing traditional associations. Many opt not to engage with them, citing their perceived conservatism and resistance to innovation.

Despite being termed as exploitative, many businesses in the sector are indebted to local associations and cooperatives due to the support they receive in terms of credit facilities, education, training, apprenticeships, and protection.



Agencies and Government Policies

In the past decade, the Nigerian government launched several initiatives to support the growth of the informal sector. At the core of these policies is the goal to champion formalisation and aid the transition into the formal economy. The challenge with formalisation has been the need for an integrated strategy that captures the wide range of policy areas and eliminates negative aspects of informality while preserving the job-creation and income-generation potential. There is also the call for policies that facilitate the integration and transition of informal economy workers and economic units into the mainstream economy.

Government agencies, advocacy groups and some organisations with interests in the informal economy focus on providing support through group-based regulations, funding, capacity building, financial inclusion, and networking. Some of these agencies and organisations include ITF, SMEDAN, LSETF, BOI, FIWON, CBN and local government authorities. On Advocacy, [FIWON](#), an advocacy organisation, champions the rights and interests of informal sector workers, advocating for social and health insurance policies, workplace safety, equitable credit access, and essential services while pushing for establishing a [ministry of informal workers](#).

The [Small and Medium Enterprise Development Agency of Nigeria \(SMEDAN\)](#) has played a pivotal role in promoting SME development. In 2013, SMEDAN became the apex agency that promoted the facilitation and coordination of SMEs in Nigeria. A central [tenet](#) of the agency is to initiate and articulate policy ideas for the growth and development of small and medium enterprises. The organisation also serves as a vanguard for rural industrialisation, poverty reduction, job creation and enhanced livelihoods. **In 2019, SMEDAN registered over 40 million businesses, facilitating access to finance, markets, workspace, insurance, technology, capacity building and more.**

The federal government has implemented reforms to simplify business registration processes and facilitate the formalisation of informal businesses. Initiatives like the MSME Development Fund, Ease of Doing Business reforms, and taxation reforms, the [MSME development fund](#) provides financial support and incentives to businesses, including those in the informal sector. Federal and state government programs include the Entrepreneurship Development Programmes, the National SMEs Policy, the Conditional Grant Scheme (CGS), the GEMS Project, and YOU-WIN.

Several access-to-credit schemes of the [Central Bank of Nigeria \(CBN\)](#) and other Development Finance Institutions (DFIs) were introduced to complement these efforts. The CBN established several policies to facilitate access to credit, especially for people with low incomes and women in marginalised contexts, including introducing the [microfinance scheme](#) and commercialising the microfinance business. Efforts to streamline tax collection, such as introducing the Finance Act and [initiatives devised by FIRS](#), have been made to attract more informal firms into the tax net while providing incentives for compliance.

Merely 10.5% of Nigeria's labour force holds formal employment and is enrolled in the [Contributory Pension Scheme](#) overseen by the National Pension Commission (PENCOM). To address this issue and promote financial inclusion among informal workers, the Nigerian government [expanded](#) the coverage of the contributory pension scheme in the 2014 Pension Reform Act. It introduced the micro pension plan in 2019. However, enrollment rates in the micro pension plan have been low, with only [84,000](#) individuals registered as of November 2022. **While commendable policy initiatives are underway, adaptability to local realities, social services and infrastructure availability are crucial to support the optimisation of informal businesses and workers.**



Some major policies aimed at formalising small businesses and enabling transition into the formal economy

Business Facilitation Act 2022

The Presidential Enabling Business Environment Council (PEBEC) says it has implemented more than 180 ease-of-doing business reforms, targeted at boosting the life cycles of micro, small and medium enterprises (MSMEs) to ensure they create jobs and contribute meaningfully to the economy.

BFA amended 21 critical business facilitation laws and codified Executive Order 001 of 2017 on the promotion of transparency and efficiency in the business environment

SMEDAN Registration Scheme

In 2019, The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) engaged in registering over [40 million](#) businesses, facilitating their access to finance, markets, workspace, insurance, technology, capacity building and more.

The goal of the process is to help small businesses transition into the formal sector

MSME Development Fund

The MSME development fund was launched by the CBN in 2023, to enhance access by MSMEs to financial services; Increase the productivity and output of microenterprises; Increase employment and create wealth; and engender inclusive growth.

VAT Directive Initiative

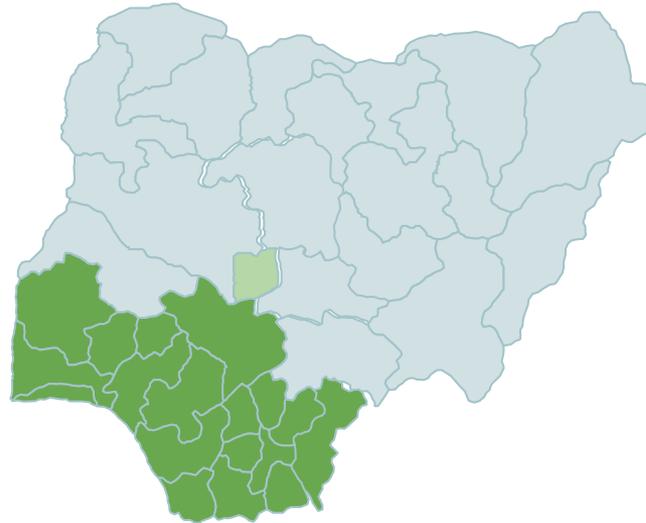
To address the issue of multiple taxation, The VAT DIRECT Initiative (VDI) is a program designed to foster collaboration between the Federal Inland Revenue Service (FIRS) and the marketplace, especially the informal sector, in the collection and remittance of the Value Added Tax (VAT) using technology.

New Micro Pension Scheme

To address this challenge and drive financial inclusion of informal workers, the Nigerian government expanded the coverage of the contributory pension scheme in the 2014 Pension Reform Act and formally introduced the micro pension plan in 2019.

Southern Nigeria

- **Urban-centric Informal Sector Activities:** Diverse urban-centric activities thrive.
- **Youth and Women Participation:** Higher representation of youth and women
- **Informal Learning and Skill Development:** some informal channels foster skill acquisition.
- **Proximity to more formal structures and technology**
- **Driven Economic Activities:** Technology fuels economic growth and the access to formal entities around them influence their willingness to upskill in some areas.



Northern Nigeria

- **Agricultural Dominance:** Traditional agricultural practices prevail.
- **Cultural and Religious Influences:** Cultural norms shape workforce dynamics
- **Growing but Limited Urbanization Impact:** Rural-based economy contrasts urban South.
- **Challenges in access to technical training and sponsorship**
- **Technology:** Limited but growing access to technology.





Market Analysis of the Informal Sector



Job Creation by Specialization and Employment Categories across focal industries

The informal sector offers great potential for direct and indirect employment across various specializations in the focal sectors. Self-employment is expected to remain the core of employment opportunities as youth and women continue to explore ways of generating income. The gloomy economic conditions and increasing migration of talents to urban cities to seek greener pastures are expected to trigger a rise in survivalist ventures and local gig workers. The number of digital platforms focused on the informal sector is expected to double in the next 5 years, creating the potential for more organised markets, local gig jobs and freelancing opportunities across industries.

In agriculture, growing food insecurity is expected to expand demand and create more opportunities for core production and general support services. In rural areas, women are more likely to find opportunities in agricultural processing and value addition from harvesting to local food processing. Generally, the decline in livestock and fish farming is expected to continue if the cost of feeds continues to spike. Cultivation, or crop production, is expected to rise and create opportunities for casual farm labour. Challenges around improved yields for premium markets, organic feed production, and linkage to premium markets are expected to drive demand for extension services, transportation and logistics, input distribution, sales and marketing, record-keeping, and monitoring, and evaluation.

Growth in the adoption of technological tools and mechanisation for farm operations is often approached as a reliable strategy for improving the sector's attractiveness to young people. However, many local food producers perceive these initiatives as a threat to rural agricultural livelihoods. The equipment and machine operations segment is less likely to create more jobs in the next five years compared to core agricultural services and general support activities. Youth and women transition into agribusiness especially in urban centres will be highly facilitated by the ease of doing business, availability of investments, and infrastructural support.

Agriculture sector

Job Type: requires core agriculture skills, less specialised.

1. Extension services, irrigation etc
2. Farm/manual labour
3. Crop production/cultivation
4. Livestock rearing/production

Job Type: requires advanced knowledge of agricultural production and services.

1. Organic feed production
2. Agro Processing
3. Farm operators

Job Type: Does not require specialised knowledge of agriculture

1. Project managers
2. Product sales and marketing agents
3. Accountants
4. Transportation and Logistics providers



The creative sector is the single most significant employment sector for women in Nigeria. The low entry barriers and creative economic expressions it affords are expected to increase opportunities for more women in rural and urban regions across fashion, food services, makeup, hair styling, skincare, and interior design. These subsectors are increasingly becoming tech-enabled to

facilitate market access and improve income gains. Women across the country are already using social media platforms especially Instagram and Whatsapp to optimise their businesses. With increasing digital literacy, more young people will leverage social media and digital platforms to commercialise their creative skills

According to an analysis by Traction Venture Partner, Nigeria's digital economy can create an additional 2.5 million jobs in five years. As young people continue

to innovate across industries, increased demand for tech-enabled roles, such as delivery agents, freelance educators, and generalist BPO roles like data entry specialists, call centre operators, copywriters, and content creators, is expected to grow. The past 5 years have witnessed a proliferation of digital platforms in the artisan industry. This trend has significantly contributed to the aggregation and validation of skilled artisans and handy workers. However, due to gaps in digital skills and infrastructure, opportunities tend to be restricted to talents in urban centres, with jobs clustering across major cities.

Locally, the top skills in demand within the sector are electrical, plumbing, housekeeping, and appliance repair. Opportunities for talent export exists but there are growing concerns about existing skills shortages in the industry.

Digital platforms facilitate organised artisan markets, collaborations for upskilling and an expansion of income and employment opportunities. This trend is also expected to grow the demand for sales agents, field officers, operations managers, customer care agents, and drivers, spanning rural, urban, and semi-urban areas. However, this trend underscores the importance of digital literacy, technical skills, digital infrastructure and adaptable technological innovations to driving growth.

Creative and Digital Sectors

Job Type: Tech Creative

Jobs: creative roles that require knowledge of technology and digital platforms

1. Digital marketing
2. Social Media
3. Copywriting
4. Creative writing
5. Skit making

Job Type: Core creative and creative enabled Jobs: roles requiring creative skills and those transformed due the creative industries not requiring unique creative skills

1. Interior design
2. Fashion and design
3. Make up
4. Hair styling
5. Skin care
6. Food services

Job Type: Generalist BPO and Tech Enabled roles

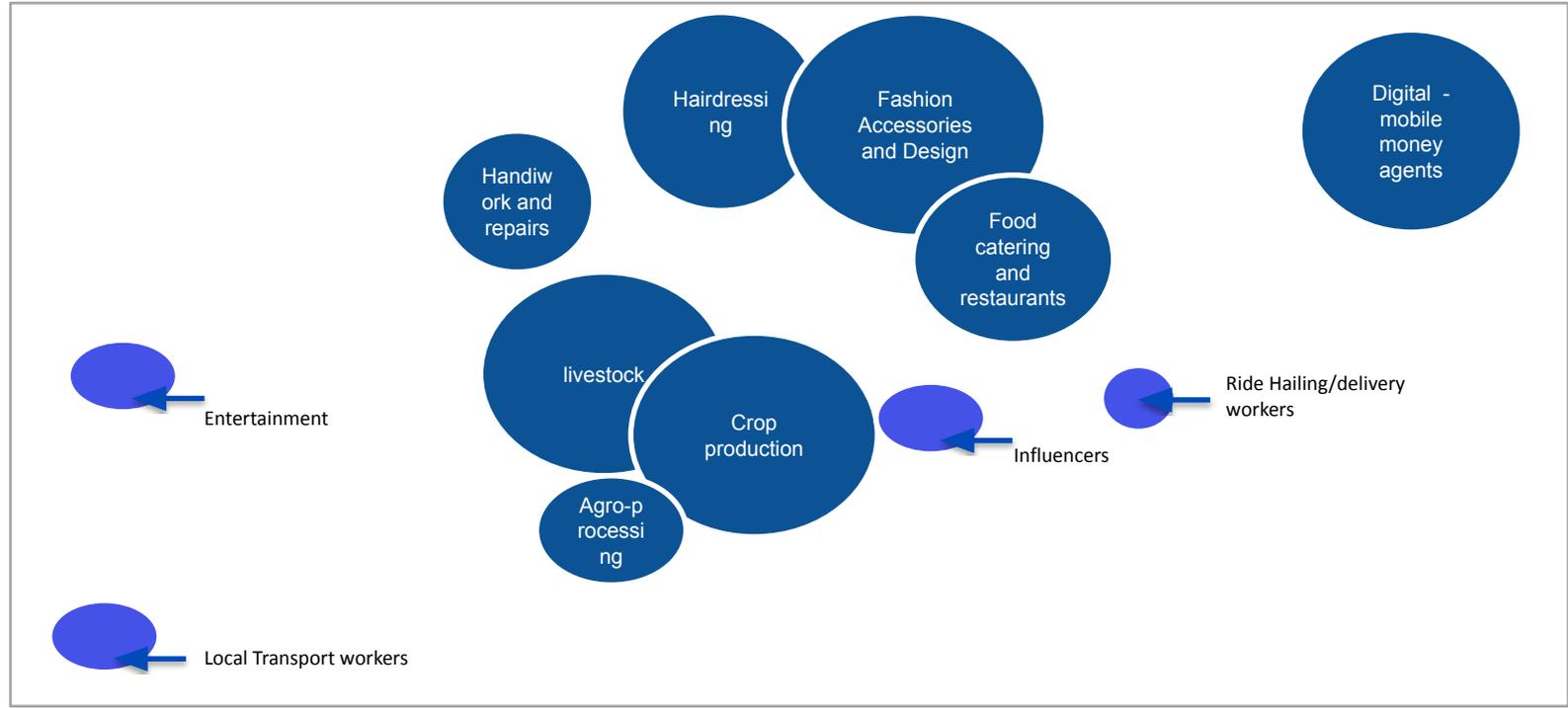
1. Financial agents/ POS operators
2. Call centre operators
3. Data entry specialists
4. Copywriters & content creators
5. Ride-sharing drivers
6. Freelance tech educators



Fashion, crop production and mobile money agents are some of the biggest informal sectors, with relatively high growth

Number of women and young people within the segment

● Size of the sub-sector



Fast growing sector



Agriculture sector

Core agriculture sub sectors with significant informality include, crop cultivation, livestock rearing, and agro-processing/ food value addition. These subsectors involve a large number of smallholder farmers and informal businesses, contributing substantially to Nigeria's agricultural output while operating outside formal regulatory frameworks.



Overview of structure



- Nigeria's agricultural sector is vital to its economy, employing over 36% of the labor force
- The sector is largely informal, with smallholder farmers constituting about 80% of the agricultural labor force and accounting for 90% of agricultural produce.
- Formal organizations primarily engage in producing agricultural inputs, while smallholder farmers handle cultivation, with middlemen facilitating interactions between formal organizations and local food producers.

Women & young people participation



- Women's participation in agriculture is increasing due to government policies and support programs, but they are often limited to harvesting, food processing, and value addition roles.
- Young people recognize the potential of the sector but face constraints such as high operational costs and a perceived unfavorable business ecosystem, leading to limited contemporary youth-led businesses, especially in the North.

Impact of Technology



- Technology adoption holds significant potential for increasing productivity, particularly in large-scale farms and agribusinesses.
- Enablers like CCTV for supervision and security and drones for artificial irrigation have facilitated online sales, market connectivity, and community learning, but small-scale farmers and businesses struggle due to the socio-economic costs of innovation.

Access to formal markets



- Informal businesses in the agricultural sector face challenges in accessing formal markets due to poor logistics, high transportation costs, lack of access to raw materials, and insufficient storage facilities.
- Multiple informal taxes on farm produce further impede access to markets and increase operational costs.

Survivalist Enterprises and Workers



Traditional Markets



Indigenous Employment Models



Globalised Markets



36%

of the labour force is employed in agriculture

90%

Agricultural produce is by smallholder farmers



Creative sector

The creative sector in Nigeria is characterized by its role as the second largest employer, with a notable presence of young people and women. It encompasses diverse fields such as food services, fashion, beauty, and lifestyle. However, informal structures prevail due to poorly defined role expectations and low barriers to entry. Despite challenges the sector continues to innovate, with growing opportunities.



Overview of structure



- The creative sector is the second largest employer of labor in Nigeria, encompassing various fields such as food services, fashion, beauty, lifestyle, skit making, hospitality, and entertainment.
- The creative sector is characterized by a high level of informality, with many businesses and workers operating outside formal regulatory frameworks. This informality presents both opportunities and challenges for the sector's growth and development.

Women & young people participation



- Women and young people are significantly represented in the creative sector, particularly in fields like catering, food services, beauty, and lifestyle, events and interior design
- It is characterized by a high representation of young people and women due to low entry barriers and the diverse economic opportunities it offers.
- However, women in the sector often face sexual harassment, with many instances going unreported due to inadequate handling of such cases.

Impact of Technology



- Technology, especially social media platforms like YouTube, Instagram, and TikTok, has facilitated talent visibility and sourcing in the creative sector.
- Technological advancements have also enabled informal learning and upskilling through online courses and informal peer chats.
- Social media plays a crucial role in talent exhibition, while technological advancements aid talent sourcing.

Access to formal markets



- The creative sector faces barriers to entry and undervaluation of talent and work by the market.
- Consumer endorsement by influencers is often required for products and services, posing challenges for startups in gaining customer loyalty.
- Upskilling is at the basic level or what creatives refer to as "survival levels" and often lacks professionalism and perfection.

Survivalist Enterprises and Workers



Traditional Markets



Indigenous Employment Models



Globalised Markets



80%

Earn less than \$100 monthly



47.5%

Demand remote work





Digital sector

The digital sector in Nigeria stands as the third largest employer, experiencing rapid growth in GDP contribution and job creation. However, informality persists within the sector. Regardless, the sector presents vast opportunities for employment and economic prosperity



Overview of structure



- The digital sector is one of the fastest-growing contributors to GDP and employment.
- It has created over 2.5 million jobs in the last decade, with tech startups innovating across various industries such as finance, education, healthcare, agriculture, and logistics.
- Informality within the digital sector involves providing visibility and optimizing operations for the informal sector, with significant expressions of informality observed among the digital labor force.

Women & young people participation



- Women and young people are actively involved in the digital sector, although the Northern region experiences slower adoption and upskilling.
- Limited access to training and development opportunities, coupled with perceptions of tech as boring and underpayment, hinder participation and growth in the region.

Impact of Technology



- Technology advancements drive rapid evolution in the tech space, with concerns about producing the right talents to meet market demands.
- Informal learning through online resources like YouTube, online courses, and peer chats is common, leading to challenges in talent development and market oversaturation at the base level.

Access to formal markets



- Technology / digital sector talents often prefer freelancing due to the borderless nature of the sector and challenges in filling entry and mid-level roles in formal organizations.
- Limited context-fit training opportunities and high attrition rates impact talent development and training initiatives in formal organizations.

Survivalist Enterprises and Workers



Traditional Markets



Indigenous Employment Models



Globalised Markets



90%

of Talents plan on leaving the country for developed countries



55%

Lack access to training in Northern Nigeria





Artisan sector

The Artisan sector in Nigeria comprises a diverse range of skilled workers, including plumbers, electricians, AC technicians, gardeners, and more. These artisans play a vital role in various industries, providing essential services that contribute to infrastructure development, maintenance, and everyday living.



Overview of structure



- The growth of the services sector and real estate is creating opportunities for skilled and unskilled artisans across industries.
- Traditionally, a majority of workers in this sector are skilled workers with no formal education or at least basic primary education but have undergone training to be proficient in their trade.

Women & young people participation



- Young people largely find artisanal jobs like plumbing, carpentry, repairs, welding, fabrication, etc. highly socially unattractive, and the duration of training usually in local apprenticeship arrangements further details interests.
- Women tend to be more represented in domesticated jobs like cleaning, hairdressing, manicure, and pedicure, as beauticians, etc.

Impact of Technology



- The sector has witnessed a growing number of innovations with mobile applications like Runner, Artisan Oga, and Workman, among others aimed at dignifying and optimising the sector.
- Digitisation has been instrumental to the development of the sector exposing the service and efficiency lapses while connecting players to markets and consumers to products and services.

Access to formal markets



- Despite growing upskilling initiatives in the industry, due to the nature of work, the length of training is usually a major hindrance for artisans as many rely on daily incomes.
- The top skills in demand within the service sector are electrical, plumbing, and housekeeping. Appliances repair on the other is increasing in demand but there is a skills gap in this regard.

Survivalist Enterprises and Workers



Traditional Markets



Indigenous Employment Models



Globalised Markets



66%

Do not have training certification for their core skills.

57%

Demand technical training.



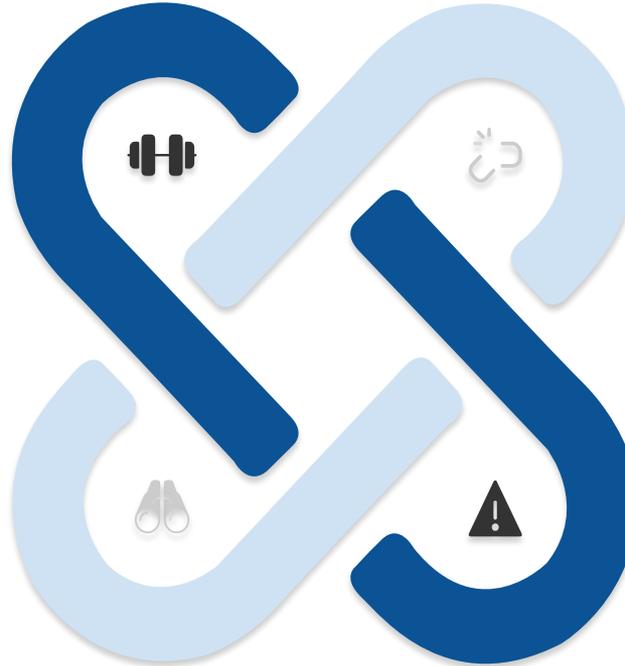
SWOT Analysis

Strengths

The low entry barriers, typified by minimal start-up costs and formal documentation, make it possible for the most vulnerable populations to find income and employment opportunities. The sector has a high job creation potential and is a seedbed for local innovation and creativity, serving niche markets and addressing community needs. The sector's flexibility and adaptability allow workers and businesses to swiftly adapt to changing market conditions and consumer preferences.

Opportunities

The expansion of formalisation initiatives presents enormous opportunities for human capital development, optimisation of local innovations and indigenous business models, and access to markets, finance, and support services. The increasing adoption of digital innovations, especially e-commerce and fintech, has the potential to improve business efficiency, expand markets, and access financial services. As employers seek optimal hiring models, growing investments in skills development, vocational training, and entrepreneurship capacity building can support youth and women's transition into the mainstream economy and decent jobs as more workers and businesses gain the knowledge and experience to build sustainable businesses.



Weaknesses

The absence of proper integration into formal institutional arrangements limits access to growth opportunities; the lack of regulatory oversight affects the sector's growth potential through poor product standardisation, unfair labour practices and poor environmental conditions, unsafe working conditions, and limited access to social protections such as healthcare and pension benefits. The sector is also vulnerable to economic shocks and regulatory changes, and informal businesses often lack the skills and experience to scale their businesses or compete effectively in the formal jobs market.

Threats

An unfavourable business environment typified by high inflation rates, currency fluctuation, and other macroeconomic factors affecting consumer spending, demand for goods and services, heightened competition for space and frequent evictions affects the viability of informal businesses. Informal, small businesses face stiff competition from formal enterprises with greater access to resources, technology, market networks and improved customer experience. Infrastructure deficits and digital and technical skills gaps may affect youth and women in marginalised contexts.





Emerging Trends and Growth Drivers



The growth of Nigeria's informal sector can be attributed to a confluence of compelling trends tied to demography, poor macroeconomic conditions and regulatory structures, cultural norms and technology. As hosts to the largest youth population in Africa, estimated at over 100 million, access to formal employment remains a critical challenge driving a significant portion of the labour force into the informal sector. Rapid urbanization fuels the growth of the informal urban economy by creating opportunities for innovation and economic diversification. According to the World Bank's "Nigeria Urbanization Review" (2018), street vending, transportation services, and small-scale retail thrive to meet the needs of expanding urban populations, highlighting the urban-centric nature of informal sector activities.

In an age marked by technological advancement, the rise of technology-driven ventures continues to revolutionize informal businesses across the country, enhancing efficiency, connectivity, and market access. In the same vein, digitization has triggered significant disruptions to the world of work, shaping employment preferences and work structures. According to the NBS, there is a notable trend of young people migrating from formal to informal employment. Young people, especially women, are increasingly drawn to skills and roles that offer flexibility and unconventional employment structures, such as freelancing. Although shifts in work preferences have been mainly tied to entrepreneurial aspirations and flexible work arrangements, poverty and low entry barriers are significant factors shaping the growth of informality in Nigeria.

For decades, traditional markets have been the significant custodians of trade and economic practices across regions of the country. Small business startup, especially in artisanal crafts and traditional skills, are deeply embedded in cultural norms and supported by informal social networks. Local apprenticeship systems provide upskilling business incubation and support poverty alleviation in many communities. Leveraging disruptive technologies, young people are redefining and expanding local markets by incorporating indigenous knowledge, skills and products with modern business practices. However, non-inclusive regulatory structures support the growth of informality, and bureaucratic hurdles discourage formalization. Recognizing the diverse trends driving informality is crucial for designing inclusive policies and promoting sustainable development.

The growth of Nigeria's Informal sector and its increasing attractiveness to youths and women is supported by the following trends:



Urbanisation and Increasing Youth Population



Digitisation and Rise in Technology Businesses



Age-Agnostic Migration to Informal Sectors



Fast Growing Women Participation



Poverty and Low Entry Barriers



Cultural Norms and Social Networks



Informal Learning



Inadequate Regulatory Structures



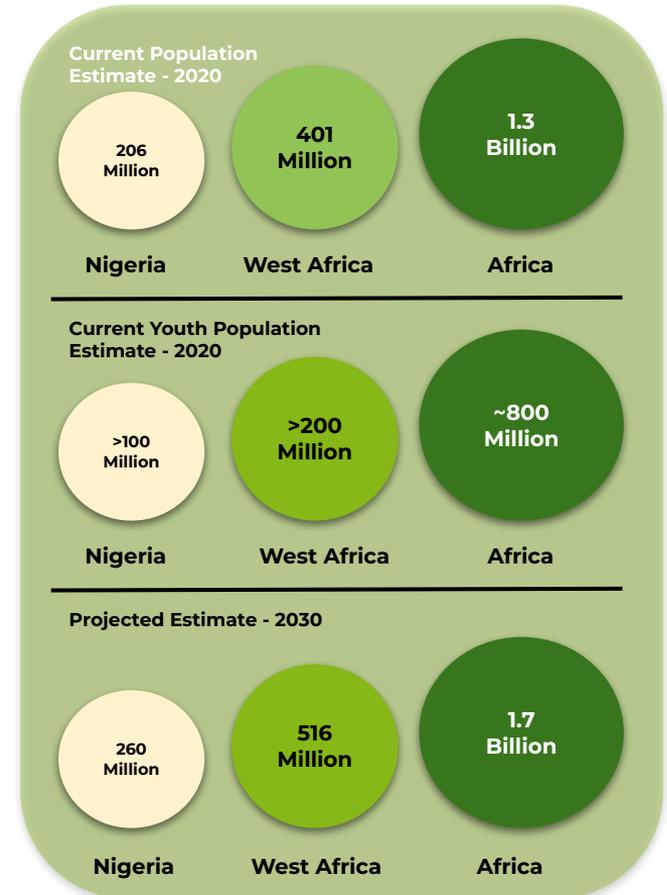
Urbanization and Increasing Youth Population

Urbanization in Nigeria is not merely a demographic shift; it's a transformative force reshaping the nation's socio-economic landscape. The World Bank's "Nigeria Urbanization Review" of 2018 illustrates this transformation, highlighting how rapid urbanization has become a catalyst for the burgeoning informal urban economies. In Nigeria's bustling cities, a vibrant tapestry of informal activities thrives, catering to the burgeoning needs of expanding urban populations.

With a population exceeding [220](#) million, Nigeria boasts one of Africa's largest youth demographics, with over 100 million individuals aged 15 to 35. **As urbanization accelerates, with more than 53% of the population now residing in urban centres, the allure of urban life beckons young people in search of better opportunities for employment and entrepreneurship.** However, as the labour force outpaces job growth, competition for formal employment intensifies, leading many young people to self-employment. Despite challenges, the urban environment fosters entrepreneurship, creating opportunities for individuals to commercialise their talents and skills.

Rapid urbanization also strains state institutions and infrastructure, demanding innovative solutions to address efficiency gaps, especially in service delivery, waste management and transportation systems. For women in urban areas, expanding informality brings both opportunities and obstacles. While they may face challenges accessing public spaces and are vulnerable to poor working conditions, digital platforms offer avenues for developing markets and enhancing efficiency. Women entrepreneurs harness technology to overcome barriers, driving business growth and economic empowerment.

As Nigeria's urban landscape evolves, policymakers must adopt a nuanced approach that embraces informality while addressing its challenges. Strengthening social protections, improving access to finance, and enhancing infrastructure are essential steps towards creating an enabling environment for informal sector activities. Moreover, gender-inclusive policies and digital literacy programs empower women entrepreneurs to thrive in urban spaces.





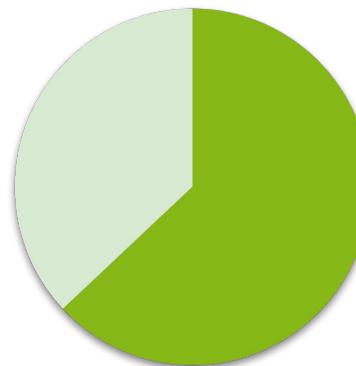
Digitisation

The COVID-19 pandemic has catalyzed digital transformation in the informal sector, prompting significant adoption of digital tools and platforms. This shift is evident in Nigeria, where 63% (up from 35% in the pre-pandemic era) of micro and small businesses now utilize digital banking, leading to increased sales and opportunities for formalization.

Moreover, the proliferation of online marketplaces has enabled informal businesses to transcend geographical boundaries, exponentially expanding their customer base and revenue streams. **Recent studies highlight that over 70% of informal sector enterprises in Nigeria have reported an increase in sales volume since embracing digital platforms for market outreach.** This surge in online commerce activities underscores the pivotal role of digitization in driving economic inclusivity and market accessibility for traditionally marginalized entrepreneurs.

Furthermore, the rise of digital literacy initiatives and online learning platforms has empowered informal sector workers to enhance their skill sets, thus bolstering their competitiveness within the burgeoning gig economy. Statistics reveal that approximately 45% of informal workers in Nigeria have enrolled in digital upskilling programs over the past year, resulting in a tangible improvement in the quality of their service offerings and earning potential.

Despite these remarkable advancements, the digital divide persists, necessitating equitable access to technology and digital literacy programs for all segments of the informal workforce. Recent studies indicate that over 30% of informal sector entrepreneurs in Nigeria still face significant barriers to accessing high-speed internet, inhibiting their seamless integration into the digital ecosystem. Prioritizing investments in digital infrastructure and digital literacy initiatives is critical to drive sustainable growth, inclusivity and prosperity for all stakeholders in the informal economy.



63% (up from 35% in the pre-pandemic era) of micro and small businesses now utilize digital banking, leading to increased sales and opportunities for formalization.



45% of informal workers in Nigeria have enrolled in digital upskilling programs over the past year, resulting in a tangible improvement in the quality of their service offerings and earning potential.



Over 70% of informal sector enterprises in Nigeria have reported an increase in sales volume since embracing digital platforms for market outreach.



Rise in Technology Businesses

The emergence of technology businesses within Nigeria's informal sector unveils a narrative teeming with distinct nuances and transformative potential across industries, drawing insights from the dynamic landscapes of fashion, agriculture, and mobile money markets. This trend underscores the profound impact of technology-driven innovation on economic resilience and market accessibility. From grassroots artisans leveraging social media platforms to showcase indigenous craftsmanship to digital marketplaces connecting local designers with international clientele, technology-enabled businesses epitomize the power of digitalization in democratizing market access and fostering cultural entrepreneurship.

Similarly, in the agricultural domain, technology businesses are revolutionizing traditional farming practices, driving efficiency and sustainability while bolstering food security initiatives across the nation. From mobile-enabled agricultural extension services providing real-time insights to farmers to e-commerce platforms connecting producers directly with consumers, these ventures exemplify the potential of technology to catalyze inclusive growth and rural development within Nigeria's agricultural landscape. Technology businesses are facilitating financial inclusion and unlocking new avenues for economic empowerment among underserved communities.

With innovative mobile payment solutions bridging the gap between traditional banking services and informal economy participants, individuals engaged in micro-enterprises and informal trading activities now have unprecedented access to secure and convenient financial services, fostering resilience and entrepreneurship at the grassroots level. While the narrative of technology businesses within Nigeria's informal sector brims with promise and potential, widespread adoption and scalability due to infrastructural limitations and digital literacy gaps pose formidable barriers to realizing its full transformative impact. A multi-stakeholder approach is required to foster an enabling ecosystem conducive to innovation, entrepreneurship, and inclusive growth.



From grassroots artisans leveraging social media platforms to showcase indigenous craftsmanship to digital marketplaces connecting local designers with international clientele, technology-enabled businesses epitomize the power of digitalization in democratizing market access and fostering cultural entrepreneurship.

Technology businesses are facilitating financial inclusion and unlocking new avenues for economic empowerment among underserved communities.



Age-Agnostic Migration to informal sectors

A notable trend emerges in Nigeria's labour market: individuals migrating from formal employment to the informal sector. Highlighted by the Nigerian Bureau of Statistics (NBS), this shift reflects a nuanced interplay of factors, from the appeal of flexible work arrangements to entrepreneurial aspirations. Driving this transformative trend is a narrative of adaptability and resilience as workers seek to create opportunities beyond traditional work structures. In an era of technological advancement and shifts in work preferences, young people gravitate towards roles offering autonomy and entrepreneurial potential, mirroring global trends like the gig economy and remote work.

Entrepreneurial ambitions also drive individuals towards the informal sector, from tech startups to artisanal crafts; informality fosters creativity and self-determination. Yet, alongside the promise of flexibility, hurdles like limited access to capital and regulatory barriers present challenges for economic empowerment. As this trend gains momentum, it calls for organisations and policymakers to embrace the diverse needs of the evolving workforce. Addressing these challenges demands a holistic approach from policymakers, prioritizing inclusivity and empowerment.

Recognizing the workforce's diverse needs entails reimagining traditional employment paradigms and fostering an environment conducive to entrepreneurship and innovation. Nigeria stands at a pivotal juncture where the convergence of flexibility and entrepreneurship reshapes its work landscape. Embracing this transformation requires a commitment to inclusivity, empowerment, and innovation. Championing policies embracing diversity and fostering collaboration will unlock Nigeria's workforce potential, paving the way for a resilient and inclusive economy.

Streamlining regulations, expanding access to finance, and enhancing social protections are essential to safeguarding workers' well-being. Moreover, fostering collaboration between public and private sectors is crucial for harnessing Nigeria's workforce potential. By leveraging strengths from both spheres, sustainable growth and pathways for upward mobility can be catalyzed.



Nigeria stands at a pivotal juncture, where the convergence of flexibility and entrepreneurship reshapes its work landscape.

Recognizing the diverse needs of the workforce entails reimagining traditional employment paradigms, fostering an environment conducive to entrepreneurship and innovation.

In Nigeria's labour market, a notable trend emerges: individuals migrating from formal employment to the informal sector



Poverty and Low entry-barriers

Poverty remains one of the most significant trends driving the expansion of informal enterprises and workers. According to the NBS over 100 million Nigerians are multidimensionally poor, and about [43.7 million](#) women are living in extreme poverty. In rural and urban settings, the low barriers to entry facilitates survivalist ventures with many engaging in economic activities to make ends meet. The informal sector serves as a vital economic lifeline, plotting critical economic pathways especially for marginalised groups like the rural poor, young people, and women.

Poor macroeconomic conditions further hampers already deplorable socio-economic conditions for marginalised workers. According to the NBS, in April 2024, Nigeria's inflation rate surged to 33.69%, the highest in 25 years. The continued hyper inflationary trend affecting essential items and services including food, transportation, and housing has further worsened poverty levels across the country. Inconsistent pricing has left small business owners to grapple with massive losses, low consumer spending and purchasing power with survivalist businesses suffering the biggest shocks.

Despite the challenges, the low barriers to entry in the informal sector facilitate economic survival and foster innovation and entrepreneurship. With easy market access and minimal startup costs, aspiring entrepreneurs, particularly young people and women, can venture into various businesses, driving grassroots economic development and fostering resilience in marginalized communities. Nevertheless, **facilitating the transition of small businesses and workers into decent and sustainable work would require targeted interventions and policy reforms that promote inclusive growth including social welfare programs, skills development initiatives, infrastructure development and an enabling business environment.**



According to the NBS about 88 million Nigerians are living in extreme poverty 43.7 million of them being women.



According to the NBS, in April 2024, Nigeria's inflation rate surged to 33.69%, the highest in 25 years.

Facilitating the transition of small businesses and workers into decent and sustainable work would require targeted interventions and policy reforms that promote inclusive growth including social welfare programs, skills development initiatives, infrastructure development and an enabling business environment.





Informal Learning

Informal learning initiatives facilitate a paradigm shift in skills acquisition and entrepreneurship within the informal sector. As highlighted by the UNESCO report "Skills for Work and Life in Nigeria" (2019), these initiatives complement formal education systems, equipping individuals with practical competencies vital for navigating today's dynamic economic landscape, especially among marginalized communities and underserved populations.

Over 60% of Nigerians engage in informal learning outside conventional educational frameworks, demonstrating the growing recognition of informal learning as a viable career growth and skill development pathway. These programs empower individuals with practical competencies, foster a culture of innovation and knowledge-sharing, and promote sustainable business growth. Studies suggest that businesses that engage in informal learning are 50% more likely to succeed than businesses that don't.

Notably, recent data indicates that over 80% of informal sector workers who have participated in informal learning initiatives report a tangible improvement in their productivity and income levels. Informal learning fosters a culture of innovation and knowledge-sharing, nurturing a vibrant ecosystem of entrepreneurial ventures and grassroots enterprises. Through peer-to-peer networking platforms and community-driven workshops, individuals gain access to valuable insights and best practices, propelling them towards sustainable business growth and market success.

However, challenges persist in scaling up informal learning initiatives to reach broader population segments, such as limited access to resources and infrastructure coupled with socio-economic barriers. Over 40% of individuals in Nigeria cite financial constraints as a primary impediment to accessing informal learning opportunities, highlighting the urgent need for targeted interventions and support mechanisms. Informal learning initiatives represent a transformative force in bolstering entrepreneurship and productivity within the informal sector, unlocking new pathways to economic empowerment and inclusive growth.

Over 60% of Nigerians engage in informal learning outside conventional educational frameworks, demonstrating the growing recognition of informal education as a viable career growth and skill development pathway.

Notably, recent data indicates that over 80% of informal sector workers who have participated in informal learning initiatives report a tangible improvement in their productivity and income levels.

Studies suggest that businesses that engage in informal learning are 50% more likely to succeed than businesses that don't.

Over 40% of individuals in Nigeria cite financial constraints as a primary impediment to accessing informal learning opportunities, highlighting the urgent need for targeted interventions and support mechanisms.



Cultural Norms

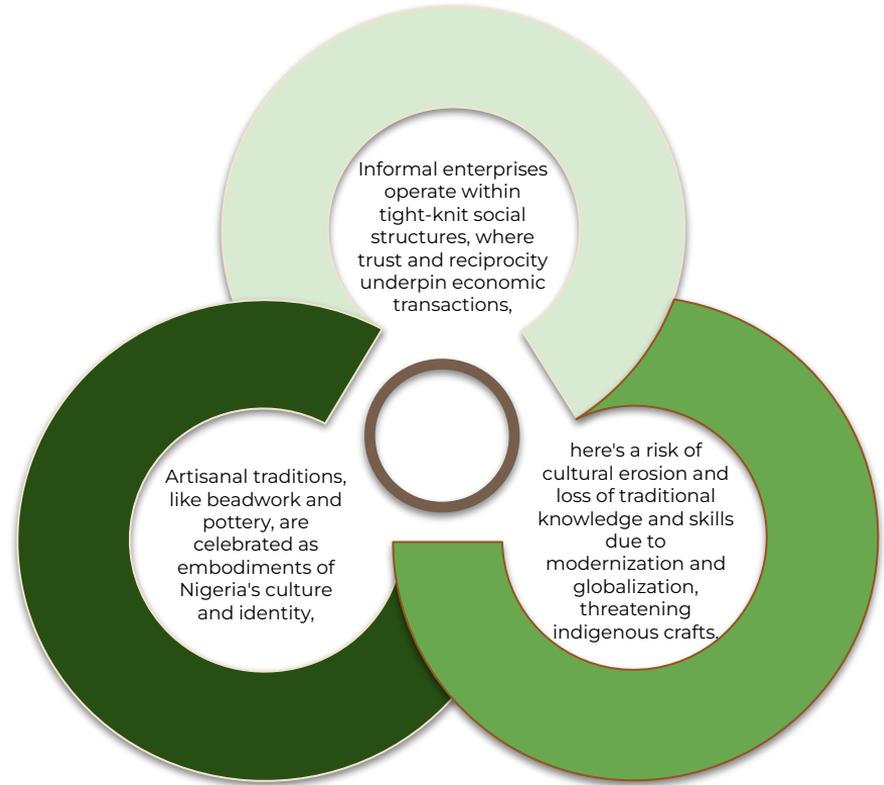
Nigeria's informal sector is significantly influenced by cultural norms that foster traditional crafts and skills, enhancing its vibrancy and resilience.

Artisanal traditions, like beadwork and pottery, are celebrated as embodiments of Nigeria's culture and identity, attracting local and international street market patrons. The informal sector provides a fertile ground for these cultural practices to thrive, offering artisans and craftsmen a platform to showcase their talents and preserve traditional techniques.

In many Nigerian communities, informal enterprises operate within tight-knit social structures, where trust and reciprocity underpin economic transactions, bolstering resilience and fostering a culture of innovation.

However, due to modernization and globalization, there's a risk of cultural erosion and loss of traditional knowledge and skills, threatening indigenous crafts. Rapid urbanization and evolving consumer preferences pose threats to indigenous crafts, relegating them to the sidelines of an increasingly homogenized marketplace.

To preserve heritage while driving economic development, policymakers should leverage cultural tourism, invest in skills training, and improve market access and infrastructure for artisans. Leveraging cultural tourism as a driver of sustainable development can open new avenues for economic diversification and job creation. Preserving and promoting traditional crafts safeguards Nigeria's cultural legacy while unlocking the untapped potential for growth and innovation. By investing in skills training, market access, and infrastructure support, Nigeria can empower artisans to thrive in a changing economic landscape.





Social Networks

In Nigeria's vibrant informal economy, social networks emerge as indispensable pillars that foster economic activities and community cohesion. Ethnographic insights reveal the intricate role of informal social ties, where familial, communal, and ethnic connections are vital conduits for resource access, information sharing, and mutual support. These networks cultivate trust and reciprocity and empower entrepreneurs to navigate challenges and seize opportunities in a dynamic marketplace.

Within Nigeria's informal sector, familial bonds transcend mere kinship, forming the bedrock of trust and economic exchange. Family networks facilitate knowledge transfer and financial pooling and serve as a resilient support system for budding entrepreneurs, offering stability amid uncertainty. Community associations also play a pivotal role in nurturing collaboration and solidarity among informal actors. Whether through neighbourhood cooperatives or trade associations, these grassroots organisations enable collective action, amplifying members' voices and enhancing market access.

Ethnic affiliations add another layer to Nigeria's social fabric, shaping economic interactions and networks. Shared cultural norms within ethnic enclaves foster business connections, enabling entrepreneurs to tap into niche markets and navigate societal complexities. Despite their resilience, informal social networks also pose challenges, particularly regarding inclusivity. Women, youth, and marginalized groups may face barriers to entry and exclusion from established networks, hindering their economic participation.

Addressing these challenges requires a multifaceted approach that leverages the strengths of informal networks while promoting inclusivity. Strengthening formal support structures, such as microfinance institutions, complements the resilience of informal networks, providing marginalized groups with essential resources. Investing in digital technologies can also enhance the reach and effectiveness of informal networks, bridging geographic divides and empowering marginalized communities. By harnessing the power of connectivity, Nigeria can unlock new pathways for economic empowerment and social inclusion.



Family networks facilitate knowledge transfer, financial pooling, and serve as a resilient support system for budding entrepreneurs, offering stability amid uncertainty.

Shared cultural norms within ethnic enclaves foster business connections, enabling entrepreneurs to tap into niche markets and navigate societal complexities.



Despite their resilience, informal social networks also pose challenges, particularly in terms of inclusivity. Women, youth, and marginalized groups may face barriers to entry and exclusion from established networks, hindering their economic participation.



Inadequate Regulatory Structures

In Nigeria's economic landscape, the informal sector grapples with inadequate regulatory structures, hindering its growth. Historically focused on the formal sector, government policies inadvertently expand informality, leaving informal enterprises without essential support. This neglect fosters a fragmented approach to addressing challenges, exacerbating noncompliance and defiance among informal businesses.

The absence of comprehensive regulatory policies typifies the gaps in understanding the regulatory environment and efficiency gaps in the scope of application and enforcement mechanisms. Noncompliant or defiant behaviour of informal businesses is also primarily driven by Inadequate support frameworks, lack of basic amenities, and a conducive environment free from corruption. Complex regulatory requirements and bureaucratic hurdles associated with formalising businesses also incentivise informal practices.

Gaps in labour policies compound the decent work challenge, as they fail to adequately capture emerging economic activities and work structures, especially in the creative industry. Similarly, gaps in local labour laws guiding digital applications leave the growing mass of freelancers without adequate protection, perpetuating vulnerabilities and exploitation. In many circumstances, labour laws do not cover workers because their enterprises are not registered. However, many workers must be covered by labour regulations because the laws may not be adapted to the realities of working conditions and work-related procedures, which may be local or modern work organisations and processes.

Various regulatory and enforcement techniques involving governmental and non-governmental actors are needed, emphasizing innovative yet standardized talent and resource management approaches. While traditional regulatory frameworks are essential for defining and protecting employment conditions, strategic partnerships between the state and regulated communities are necessary for designing context-specific regulations and effective enforcement.

Regulation and Emerging Industries

Gaps in labour policies compound the decent work challenge, as they fail to capture emerging economic activities and work structures, especially in the creative industry. Similarly, the absence of local labour laws guiding digital applications leaves the growing mass of freelancers without adequate protection, perpetuating vulnerabilities and exploitation.

Regulation and Adaptation

In many circumstances, labour laws do not cover workers because the enterprises they work in are not registered. However, many workers are not covered in practice by labour regulations because the laws may not be adapted to the realities of working conditions and work-related procedures, which may be local or modern work organisations and processes.

Towards inclusive and comprehensive regulatory frameworks

Regulatory and enforcement techniques should entail a variety of innovative yet standardized approaches to talent and resource management. While traditional regulatory frameworks are essential for defining and protecting employment conditions, strategic partnerships between the state and regulated communities are necessary for designing context-specific regulations and effective enforcement.



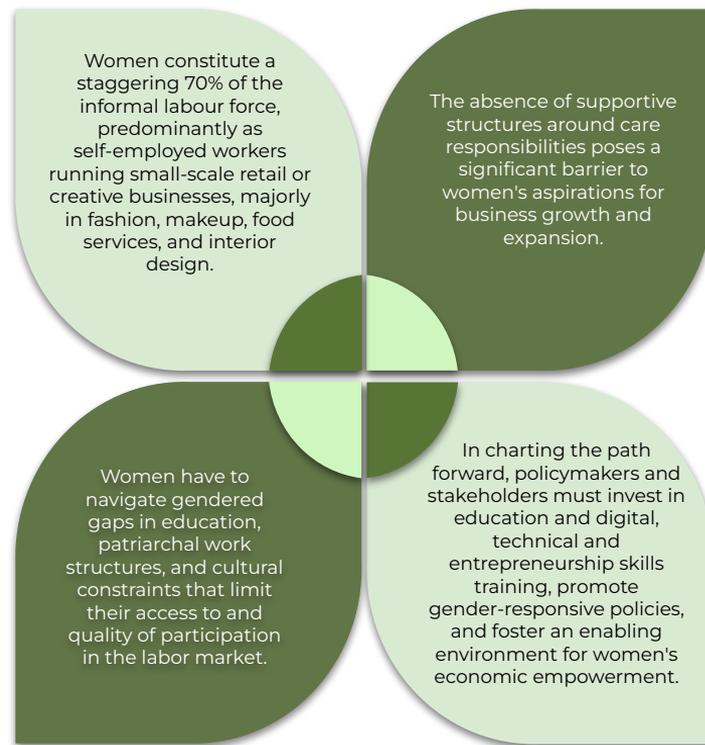
Fast Growing Women Participation

Women constitute a staggering 70% of the informal labour force, predominantly as self-employed workers running small-scale retail or creative businesses, majorly spanning fashion, makeup, food services, and interior design, among others. Yet, their journey is not without its challenges, as they navigate gendered gaps in education, patriarchal work structures, and cultural constraints that limit their access to and quality of participation in the labour market.

The drivers behind women's engagement in the informal sector vary across regions and contexts, reflecting a complex interplay of personal choices, social conditioning, and economic imperatives. The quest for flexible work structures in urban settings often stems from balancing caregiving responsibilities for children, elderly family members, and other dependents. Conversely, women may be pushed into subsistence businesses in other contexts due to societal expectations or lack of formal employment opportunities.

The absence of supportive structures around care responsibilities poses a significant barrier to women's aspirations for business growth and expansion. While women contribute immense value to the home through their caregiving roles, the need for recognition and support for the care economy hampers their ability to pursue entrepreneurial ambitions beyond the confines of small informal businesses. Formalizing the care economy and providing avenues for women to balance work and domestic responsibilities can unlock untapped potential and pave the way for inclusive economic growth.

In navigating modern business practices and accessing formal networks, the absence of a defined entrepreneurship learning path often leaves women entrepreneurs at a disadvantage. However, initiatives that provide women with access to entrepreneurial skills training and business networks have shown promising results, enabling them to overcome barriers and succeed in their ventures. In charting the path forward, policymakers and stakeholders must invest in education and digital, technical and entrepreneurship skills training, promote gender-responsive policies, and foster an enabling environment for women's economic empowerment.



```
...count', 'order' => 'DESC'
```

```
...the_post()?)
```

```
...col-sm-6 col-xs-12 sidebar-...)
```

```
...col-sm-6 col-xs-12 sidebar-...
```



Digitisation and Informal Employment



Digitization and automation continues to play a strong role in shaping the future of work within the informal sector

Globalization and digitization present opportunities for informal workers, as highlighted in various international reports. Strategic partnerships, market intelligence, and adaptive regulatory frameworks are essential for maximizing opportunities and mitigating risks in the globalized digital economy.

Formal aggregation of informal talent, with technology enabling integrations across the value chain especially for fragmented verticals



Export of talent, services and goods, (due to higher economic value, etc)



Permanent shift of workers from formal sectors to informal sector opportunities, less side hustles



More emphasis on more affordable platforms for skills development, less reliance on university degrees





Formal Aggregation of Informal Talent

Digitization has facilitated the emergence of specialised talent marketplaces and platforms tailored to specific industries or skill sets. In the informal sector, digital platforms like Wesabi, Artisan Oga, and Runner act as intermediaries, bringing together employers or customers seeking specific skills and services across industries. By providing a centralised hub for talent aggregation, these platforms enhance visibility for employers and informal workers, enhancing sustainable incomes while fostering efficiency and inclusivity.

Digital platforms such as e-commerce, e-payment, and social media platforms have improved the monetization, distribution, and consumption of creative content with platforms like Netflix, YouTube, Spotify, and Apple Music, among others, facilitating digital marketing and virtual events. Social media, including Instagram, Twitter, and TikTok, have become essential tools for creatives to showcase their work, connect with fans, and build their brands. However, these benefits have been accompanied by challenges, including intellectual property, digital piracy, digital skills gaps, and infrastructure deficits.

Generally, in more traditional informal markets, talent aggregation tends to rely more on conventional methods such as word-of-mouth referrals, local networks, and informal job postings within communities. However, **due to growing internet penetration and access to smart mobile phones, many informal workers in traditional contexts across the country leverage digital platforms, especially WhatsApp, for networking and business or market associations.**

The penetration of digital technologies in these sectors may be uneven and limited compared to the formal sector. However, with the growing number of digital platforms aimed at optimising the informal sector, there is a vast potential that depends on investments in digital infrastructure, digital skills, and inclusive digitisation initiatives.



Digital platforms like Wesabi, Artisan oga, and Runner act as intermediaries, bringing together employers or customers seeking specific skills and services across industries. These platforms enhance visibility for employers and informal workers enhancing sustainable incomes while fostering efficiency and inclusivity. .



Due to growing internet penetration and access to smart mobile phones, many informal workers in traditional contexts across the country leverage digital platforms, especially Whatsapp for networking and business or market associations.



Export of Talents Services and Goods

Digital platforms have facilitated the visibility and accessibility of skilled labourers to international markets. The COVID-19 pandemic was said to have created the most prominent global workforce shift since World War II, precipitating a talent gap across various skills and industries. Countries like the UK, Canada, and Australia are now turning to Africa and Asia to fill this gap as a short-term and long-term solution. Recruitment websites, online marketplaces, and social media platforms enable talents to showcase their portfolios, receive inquiries, and negotiate contracts, thus enabling informal workers access to global markets without traditional intermediaries.

While some artisans have migrated from Nigeria through formal channels (e.g., contracts or skilled migration programs), a substantial portion also move through informal networks. Truck drivers, health workers, construction workers, among others are in demand especially in regions like the Middle East, Europe, and North America. However, complex regulatory frameworks create administrative burdens and increase compliance costs, potentially limiting the growth of digitally enabled talent export. Similarly, skilled professionals, including software developers, graphic designers, writers, and consultants, now leverage digital platforms to secure freelance work or remote employment, improving income and employment outcomes.

Furthermore, the rise of e-commerce platforms has expanded opportunities for informal sector entrepreneurs to export goods and services. Artisans and small-scale producers can now leverage these platforms to offer logistical support, including shipping and delivery services, which further facilitate the export of goods from Nigeria to international destinations. However, challenges remain in fully harnessing the potential of digitization. Limited access to technology, digital literacy gaps, and infrastructural constraints, such as unreliable internet connectivity and power outages, pose barriers for many informal workers. Addressing these challenges is critical to unlocking economic opportunities and contributing to sustainable development.

Roles in Demand



The COVID-19 pandemic was said to have created the biggest global workforce shift since the World War II, precipitating a talent gap across various skills and industries. Countries like the UK, Canada, Australia among many others are now turning to Africa and Asia to fill this gap both as a short term and long term solution



Permanent shifts from formal sector into informal sector

Digitisation is shifting the employment landscape in the informal sector. Historically, young people, especially in urban regions, engage in informal work from a survivalist perspective. In recent times, digital platforms are expanding income opportunities and dignifying employment models, making them more attractive to young people. Digital platforms, especially social media applications have supported the emergence of new businesses and growth of creative self-employment. There is a notable trend of young people leaving paid employment to start businesses due to low salaries and anticipation of better incomes through small business start-ups and also mental shifts from 'hustles' into more structured, profitable businesses..

A Cenfri 2020 report found that transportation and delivery service platform (e-hailing) workers averaged about twice (60-100 hrs) the national full-time work stipulation (40hrs) but earned about ten times the monthly minimum wage (NGN30,000). With roughly 14,000 jobs created, e-hailing generated around \$292 million in the same year with just 21 active platforms (17 of which originated locally). E-commerce platforms have also experienced considerable growth. As of December 2023, there were 58 online marketplaces, 76.7 million online shoppers, and the annual number of online marketplace visitors is 242.7 million, with Jumia being the largest online marketplace in the country. Women across regions of the country now leverage e-commerce platforms but primarily social media in the North to grow their businesses. Digital innovations may help curb issues around social mobility and create opportunities for local transport workers and delivery agents.

Young people want to engage in work they are passionate about and proud of. While their creative-economic expressions may begin informally, access to business information, resources, and support services further incentivises them to venture into more structured entrepreneurship. With the likes of Andela, CCHub, Flutterwave, and many others, the digital entrepreneurship landscape in Nigeria is promising. Nigeria's informal sector will benefit significantly from a sparse digital entrepreneurship terrain beyond major cities. The attendant benefits for the informal sector include business development opportunities for products and services, including co-working spaces, tech sales and repairs, digital training centres, and incubators.



Beyond growing engagements, a growing number of young people across industries are determined to transform 'hustles' into structured, profitable ventures.



A Cenfri 2020 report found that transportation and delivery service platform (e-hailing) workers averaged about twice (60-100 hrs) the national full-time work stipulation (40hrs) but earned about ten times the monthly minimum wage (NGN30,000).



As of December 2023, there were 58 online marketplaces, 76.7 million online shoppers, and the annual number of online marketplace visitors is 242.7 million, with Jumia being the largest online marketplace in the country.

Affordable platforms for skills development

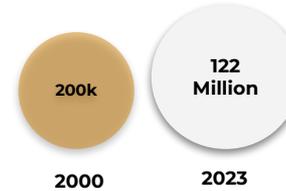
Digitisation has democratised access to information and learning opportunities for women and young people across industries. According to a survey conducted by GlobalWebIndex, about 43% of internet users in Nigeria use social media platforms to engage educational content or online courses. Young people in the informal sector, including artisans, entrepreneurs, and gig workers leverage social media platforms with YouTube and Facebook being popular choices for learning new skills, especially in technology, entrepreneurship, and creative industries.

These platforms offer flexible learning options tailored to individual schedules and preferences, making them attractive alternatives to traditional upskilling initiatives. The proliferation of affordable online learning platforms and mobile applications has provided informal sector workers access to quality skills development at a fraction of the cost of traditional university degrees. Platforms like Udemy, Coursera, and Khan Academy offer diverse courses, allowing individuals to acquire relevant skills and knowledge directly applicable to their chosen careers or entrepreneurial ventures.

There is a growing recognition among young people of the practical value of skills-based education and vocational training in the informal sector. Many young people in the informal sector prioritise acquiring practical, job-ready skills that enable them to enter the workforce or start their businesses immediately rather than pursuing lengthy academic programs.

Although the past three years have witnessed a growing number of offline and online upskilling initiatives across industries, young people face considerable challenges in developing their skills beyond basic levels. In emerging industries, creatives seek internship opportunities in formal organisations to gain structured knowledge and experience and enhance professionalism, including writing concept notes, creating storyboards, developing team structures, managing human resources, and executing art, among other things.

Internet Subscribers in Nigeria



According to a survey conducted by GlobalWebIndex, about 43% of internet users in Nigeria use social media platforms to engage educational content or online courses.

There is a growing recognition among young people of the practical value of skills-based education and vocational training. Young people leverage social media platforms such as YouTube, Facebook, and Instagram to access tutorials, online courses, and instructional videos on various skills and trades. .

Although the past three years have witnessed a growing number of offline and online training, young people face considerable challenges upskilling beyond basic levels. Creatives, most especially, seek opportunities in formal organizations to gain structured knowledge and experience and enhance professionalism,





Evidence for Optimisation and Interventions



The informal sector is critical to Nigeria's economy, particularly in providing income and employment opportunities to youth, women, and vulnerable populations.

Economic growth ought to facilitate transitions into better incomes and employment opportunities or improve employment conditions. Business formalisation and the transition of informal workers into the formal economy are not a goal in themselves but a means to promote dignified and fulfilling work for all men and women regardless of where they work and how they prefer to work.

The past decade has witnessed a growing participation of youth and women in the informal sector, driven by limited formal job opportunities, entrepreneurial culture, a thriving traditional economy, poverty and economic necessity.

Across the multifaceted trends driving the growth of informality, the major challenge lies in designing inclusive and comprehensive regulatory frameworks. Significant gaps exist in commercialising and optimising skills and innovation, especially in contemporary creative and digital industries. As the government looks towards leveraging the sector's job creation potential, there is a dual challenge of eliminating the negative aspects of informality while preserving the significant job creation and income generation potential.

Despite its importance, the informal sector faces persistent challenges, including limited access to formal financial services, inadequate infrastructure, regulatory constraints, and competition for space. These challenges hinder optimisation and limit the sector's potential contribution to economic growth and development. **While commendable policies have been implemented in the past decade, it has become evident that beyond strengthening traditional regulatory frameworks, the government needs to foster strategic partnerships with regulated communities and non-governmental actors to enhance comprehensive, context-specific interventions.**

Nigeria can harness the transformative power of the informal sector to drive inclusive economic growth. **We propose 6 core intervention areas to optimise the growth of the informal sector.** These include building marketplaces for fragmented led verticals, launching a multi-channel skills-based program, driving formalisation and optimization of traditional associations, leveraging private-public partnerships to build social protection and benefit mechanisms, enhancing research and data collection to deepen understanding of the informal sector, and direct investments in high-potential sectors.

There is an opportunity to support digital platforms to facilitate the organisation and authentication of informal workers across industries. Developing new marketplaces is critical to promoting unconventional skills and services and dignifying informal workers. Many young people do not leverage traditional associations, especially in the urban informal segment. However, associations remain the central platform for information sharing, social and economic protection and lobbying. They are excellent sources of data and institutional knowledge. Supporting associations through financial grants, capacity training, and facilitating linkages to formal institutional stakeholders will form a good basis for informal workers to thrive.

The informal upskilling trend highlights a critical need for structured and targeted intervention to support talent to meet contemporary market demands.

Leveraging job platforms that offer entrepreneurship training, soft skills, and digital literacy to urban and rural areas nationwide is essential. Deepening data collection is critical to driving effective and sustainable interventions, and designing social benefits tailored to several sub-sectors will drive increased/large-scale impact. Enabling policies that promote direct investment in companies with the potential to employ large numbers of informal sector workers is a strategic priority.



There are 6 core interventions that can be delivered to optimize the growth of the informal sector



Build marketplaces for fragmented led verticals



Launch a multi channeled skills training programme



Drive optimization of associations within the informal sector



Leverage private public partnerships to build social protection and benefit mechanisms



Enhance research and data collection to deepen understanding of the informal sector



Direct Investment in High-potential Sectors

■ High ■ Medium ■ Low

		Ease of implementation	Size of impact
<ul style="list-style-type: none"> There is an opportunity to help build new marketplaces and support existing ones that seek to promote and provide access to job opportunities for informal workers within the fragmented verticals These marketplaces provide an opportunity to authenticate informal workers, provide a platform to promote their services, and serve as assurance/guarantee for access to financial and social benefits 		High	High
<ul style="list-style-type: none"> Understanding where informal sector workers engage in search of opportunity and advance can be leveraging as points for skills development and training Leveraging sources such as associations, social media, local community, digital influencers and job platforms, such as Jobberman, skills training can be elevated to a seamless journey of opportunity discovery and advancement 		High	High
<ul style="list-style-type: none"> Associations continue to be a central platform for information sharing, social and economic protection and lobbying. Supporting associations through financial grants and capacity training, as well as linking them to formal/institutional stakeholders will form a good basis for informal workers to thrive 		High	Medium
<ul style="list-style-type: none"> Designing social benefits with specific tailoring for the several sub sectors, will drive increased/large scale impact For example, understanding the dynamics of how crop production workers engage (via their aggregators, associations and FMCGs) will create a more meaningful social benefits scheme, versus lumping them with other informal sector workers, for example, fashion or independent software engineers 		Low	High
<ul style="list-style-type: none"> Deepened data collection and analysis, available to the public and institutions, allows for better understanding of the informal sector economy, which will drive clearer and well articulated lobbying for public institutions, and at the same time, better exposition of the opportunities that exist for the private sector platforms to capture – from social benefits to financial services opportunities to job creations 		High	Medium
<ul style="list-style-type: none"> Direct investment to companies that have an opportunity to employ large amounts of informal sector workers should be a strategic priority. Companies that can employ up to 1000 and more, with capacity to employ more as their business grows. Examples of such businesses are within the Business Process Outsourcing, Delivery and ride hailing and agriculture verticals 		Medium	Medium

Source: Primary Interviews, Expert Interviews, Team Analysis



Build marketplaces for fragmented led verticals

Ease of implementation



Size of impact



What we know

- The informal sector in Nigeria is vast and diverse, comprising a significant portion of the economy.
- Fragmented verticals within the informal sector often struggle with access to markets, financial services, and social benefits.
- Building marketplaces tailored to these verticals can facilitate job opportunities, authenticate workers, and promote their services effectively.

Our Approach

- Collaborate with local communities and stakeholders to understand the specific needs and dynamics of each fragmented vertical.
- Develop user-friendly digital platforms or enhance existing marketplaces to connect informal workers with job opportunities and facilitate transactions.
- Implement authentication mechanisms to verify the identity and skills of informal workers, ensuring trust and reliability within the marketplace.
- Provide support and training to informal workers on using the marketplace effectively and accessing financial and social benefits.

Potential Impact

- Increased visibility and access to job opportunities for informal workers, leading to improved livelihoods and economic empowerment.
- Enhanced trust and credibility within the informal sector, fostering stronger relationships between workers and clients.
- Reduction in informal sector unemployment and underemployment rates, contributing to overall economic growth and stability.

Case Study: TaskRabbit

TaskRabbit, operating successfully in the United States, exemplifies the efficacy of building marketplaces for fragmented led verticals. With a reported 10x revenue increase from 2016 to 2021, it connects freelance labor with local demand, facilitating millions of transactions and contributing to workers' economic empowerment and flexibility.

Key factors for success

- *Community engagement and collaboration to ensure the marketplace meets the unique needs of each fragmented vertical.*
- *User-friendly and accessible digital platforms that enable easy participation for both workers and clients.*
- *Robust authentication and verification mechanisms to establish trust and reliability within the marketplace.*
- *Continuous support, training, and capacity building for informal workers to maximize the benefits of the marketplace.*
- *Partnerships with local authorities, financial institutions, and other stakeholders to facilitate access to financial and social benefits for informal workers.*



Launch a multi channeled skills training programme

Ease of implementation



Size of impact



What we know

- Informal sector workers in Nigeria often seek opportunities for skill development and advancement through various channels, including associations, social media, local communities, and very recently job platforms.
- Leveraging these channels effectively can enhance the delivery of skills training programs tailored to the needs of informal sector workers.

Our Approach

- Develop a multi-channel skills training program that reaches informal sector workers where they are most active.
- Design training programs to align with the diverse skill sets and interests of informal sector workers, offering a seamless journey of opportunity discovery and advancement.
- Collaborate with relevant stakeholders, including community leaders, and digital influencers to amplify the reach and impact of the skills training program.

Potential Impact

- Increased access to skills development opportunities for informal sector workers, empowering them to enhance their capabilities and productivity.
- Improved job readiness and competitiveness in the labor market, leading to higher incomes and economic stability for participants.
- Strengthened linkages between informal sector workers and formal employment opportunities, facilitating upward mobility and sustainable livelihoods.

Case Study: Youth Employment Agency

Youth Employment Agency (YEA), Ghana has trained over 100,000 youth, reducing youth unemployment by 10% since 2015 (Source: Youth Employment Agency Annual Report). Recognized by the International Labour Organization for its impactful approach, YEA serves as a model for addressing informal sector challenges worldwide.

Key factors for success

- *Tailoring the skills training program to the specific needs and interests of informal sector workers.*
- *Leveraging a multi-channel approach to reach a diverse audience and maximize engagement.*
- *Building partnerships with relevant stakeholders to amplify the program's reach and impact.*
- *Providing ongoing support and mentorship to participants to ensure successful outcomes and sustained impact.*
- *Incorporating feedback loops to continuously improve and adapt the program to changing needs and contexts.*



Optimization of associations within the informal sector

Ease of implementation



Size of impact



What we know

Associations are crucial in the informal sector, providing platforms for support, advocacy, and information sharing.

Our Approach

- Provide financial grants to support the operational needs of associations for program implementation.
- Offer capacity training programs to enhance the organizational management and advocacy skills of association members.
- Facilitate linkages between associations and formal/institutional stakeholders, such as government agencies and financial institutions, to access resources and opportunities.
- Facilitate participatory decision-making involving association members to ensure grants address genuine needs and drive sustainable changes.

Potential Impact

- Strengthened capacity of associations to effectively represent and support informal workers, leading to improved access to information, resources, and services.
- Enhanced social and economic protection for informal workers through collective bargaining, advocacy, and collaboration with formal stakeholders.
- Increased visibility and recognition of the contributions of the informal sector to the overall economy, leading to more inclusive policies and support mechanisms.

Case Study

The "Formalize & Thrive" initiative in South Africa provided financial grants and capacity training to informal sector associations. Associations received funding, resulting in increased skills training and access to finance. Through advocacy, they influenced policies benefiting informal workers.

Another notable example is India's National Rural Livelihoods Mission (NRLM), which empowered over 10 million women-led self-help groups with financial support and training, resulting in poverty reduction and women's empowerment.

Key factors for success

- *Adapting support to the specific needs and priorities of associations within different sectors of the informal economy.*
- *Building trust and collaboration between associations, formal stakeholders, and government agencies to maximize impact.*
- *Providing ongoing mentorship and support to associations to ensure sustainability and effectiveness in serving their members.*
- *Monitoring and evaluating the outcomes of interventions to identify areas for improvement and adaptation.*



Leverage private public partnerships to build social protection and benefit mechanisms

Ease of implementation



Size of impact



What we know

- Tailoring social benefits to specific sub-sectors within the informal economy can enhance their effectiveness and impact.
- Understanding the unique dynamics and engagement patterns of different informal worker groups is crucial for designing meaningful social protection schemes.

Our Approach

- Conduct in-depth research and analysis to understand the dynamics of various sub-sectors within the informal economy, such as crop production workers, aggregators, associations, and FMCGs.
- Develop targeted social benefit mechanisms that address the specific needs of each sub-sector, considering factors like income variability, access to resources, and employment patterns.
- Establish private-public partnerships for the implementation of tailored social protection programs.

Potential Impact

- Increased effectiveness and uptake of social protection schemes among informal workers, leading to improved livelihoods and socio-economic outcomes.
- Enhanced resilience of informal worker groups to economic shocks and vulnerabilities through targeted support and benefits.
- Strengthened partnerships between private and public entities, fostering collaboration and innovation in addressing social welfare challenges.

Case Study

In Bangladesh, the "Agricultural Value Chains for Food Security" project partnered with private companies, NGOs, and government agencies to provide tailored social protection to crop production workers. By understanding the specific needs and engagement dynamics of farmers, aggregators, and FMCGs, the project implemented targeted interventions such as crop insurance, access to market information, and training programs. This approach led to improved food security, increased incomes, and enhanced resilience among agricultural workers, demonstrating the effectiveness of tailored social benefits.

Key factors for success

- *Comprehensive research and analysis to understand the nuanced needs and challenges of different informal worker groups.*
- *Collaborative partnerships between private, public, and non-profit sectors to leverage resources and expertise for impactful interventions.*
- *Flexibility and adaptability in designing and implementing social protection schemes to address evolving socio-economic conditions.*
- *Continuous monitoring and evaluation to assess the effectiveness and relevance of tailored benefits and make necessary adjustments for maximum impact.*



Enhance research and data collection to deepen understanding of the informal sector

Ease of implementation



Size of impact



What we know

- Deepening research and data collection is crucial for understanding the complexities of the informal sector economy.
- Accessible data empowers public institutions for informed policy-making and enables private sector platforms to identify opportunities in areas like social benefits, financial services, and job creation.

Our Approach

- Implement comprehensive research methodologies to gather data on informal sector dynamics, including employment patterns, economic contributions, and socio-economic characteristics.
- Develop accessible databases and analytical tools to disseminate research findings to the public, policymakers, and private sector stakeholders.
- Utilize insights from data analysis to advocate for informed policy decisions and to identify business opportunities for private sector platforms.

Potential Impact

- Improved understanding of the informal sector economy enables more targeted and effective policy interventions by public institutions.
- Enhanced visibility of opportunities within the informal sector facilitates private sector engagement and investment, driving economic growth and job creation.
- Strengthened collaboration between public and private sectors fosters innovation and sustainable development.

Case Study

In Ghana, the Informal Sector Economic Research Initiative provided comprehensive data on informal sector activities. Accessible reports informed policymaking, leading to targeted interventions. Private sector utilized insights for market opportunities. Recognized by the World Bank for driving evidence-based policies.

Another successful example is Indonesia's National Socio-Economic Survey, providing extensive data for policy formulation and private sector investment.

Key factors for success

- *Commitment to rigorous and ongoing research to capture the dynamic nature of the informal sector.*
- *Collaboration between research institutions, government agencies, and private sector entities to ensure data relevance and accessibility.*
- *Transparency in data dissemination and engagement with stakeholders to foster trust and maximize impact.*
- *Flexibility to adapt research methodologies and analytical tools to address emerging challenges and opportunities in the informal sector.*



Direct Investment in High-potential Sectors

Ease of
implementation



Size of
impact



What we know

- Direct investment in high-potential sectors with significant employment opportunities for informal sector workers can drive economic growth and reduce unemployment.
- Sectors such as Business Process Outsourcing, Delivery and Ride-hailing, and Agriculture have the capacity to employ large numbers of informal sector workers.

Our Approach

- Prioritize direct investment in companies within targeted sectors that demonstrate the potential to employ significant numbers of informal sector workers, aiming for scalability.
- Provide financial incentives, technical assistance, and regulatory support to encourage growth and expansion of these businesses, facilitating job creation.
- Foster partnerships between investors, government agencies, and industry stakeholders to streamline investment processes and address sector-specific challenges.

Potential Impact

- Stimulated economic growth and job creation within targeted sectors, leading to improved livelihoods and reduced unemployment rates.
- Enhanced productivity and competitiveness of businesses, driving innovation and sustainable development.
- Strengthened linkages between formal and informal sectors, promoting inclusive economic growth and social stability.

Case Study: BPO Industry, India

India's investment in the Business Process Outsourcing (BPO) industry has yielded substantial job creation and economic growth. With over 4.3 million employees, the BPO sector contributes significantly to India's GDP and has become a global leader in outsourcing services. This success positions India as a prime example of leveraging direct investment for massive informal sector job creation and economic development.

Key factors for success

- *Strategic identification of sectors with high potential for informal sector job creation.*
- *Tailored support mechanisms to address the unique needs and challenges of targeted businesses.*
- *Collaboration between investors, government agencies, and industry stakeholders to align priorities and maximize impact.*
- *Continuous monitoring and evaluation of investment outcomes to ensure effectiveness and accountability.*





Appendix-Sector Profiles



Agriculture

This section examines informality in Agriculture including crop production, Livestock and Agribusiness/ agro-processing.

Crop production includes the growing of cash crops and staple foods. (Rice, Maize, Cassava etc). Livestock includes poultry farming, fish farming and Aquaculture and Agribusiness includes agricultural value chain activities. Informality is predominant across these agricultural activities and they also have a high potential for job creation for youth and women.





Informality in Agriculture

The agricultural sector remains the core of Nigeria's economy regarding employment opportunities. Over 36% of the labour force and 70% of Nigerian households are engaged in agriculture. However, about 80% of the agricultural labour force are smallholder farmers, accounting for [90%](#) of agricultural produce. Nigeria is among the countries with the highest food expenditure, with an estimated 60% of total personal income spent on food. Still, growing food shortages have left about 25 million Nigerians [food insecure](#). With a population estimated to reach 400 million by 2050 and aggravating food insecurity, there is an urgent demand on food systems to adopt Good Agricultural Practices (GAP), including adaptation of new technologies and innovations to accelerate sustainable food production.

Informality has meant the dominance of traditional agricultural values and practices in food systems and agricultural livelihoods. The last decade has witnessed a growing number of interventions aimed at upskilling rural food producers across regions of the country. However, they often face adoption issues as traditional food producers validate modern agriculture practices with evidence of increased yields and protection of communal interests. Community stakeholders that we engaged with highlighted a need for more context-responsive approaches in agricultural innovations, overlooking usability and traditional employment frameworks. For instance, mechanization can lower labour costs and boost productivity, yet for rural food producers, it threatens survival, shared prosperity, and labour price stability.

Across the country, the agricultural sector operates through a structured network of formal-informal interactions characterized by specialised roles across the value chain. Formal production companies handle agricultural inputs and large-scale food processing, while smallholder farmers focus on cultivation. Local input sales agents and aggregators are intermediaries between formal organisations and local food producers. Small and medium-scale agribusinesses often leverage referrals from locals to manage hiring needs, especially for roles in core production, which provides context for growth in the sector and regions. Locals play a crucial role in facilitating access to raw materials, collaborating with associations and gaining access to market routes.

Informality in the Agriculture Sector



Job Creation: The agricultural sector remains the core of Nigeria's economy in terms of employment opportunities. Over 36% of the labour force and 70% of Nigerian households are engaged in agriculture; however, about 80% of the agricultural labour force are smallholder farmers, accounting for 90% of agricultural produce.



Markets and Policy: Community stakeholders highlighted that agricultural innovations lack context-responsive approaches, often overlooking usability and traditional employment frameworks. Adoption issues stem from gaps in matching modern agriculture practices with evidence of increased yields and protection of communal interests.



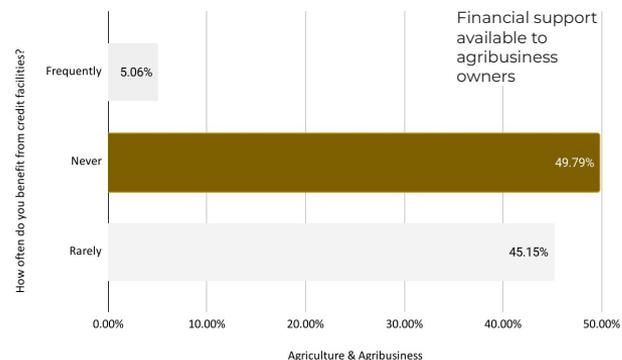
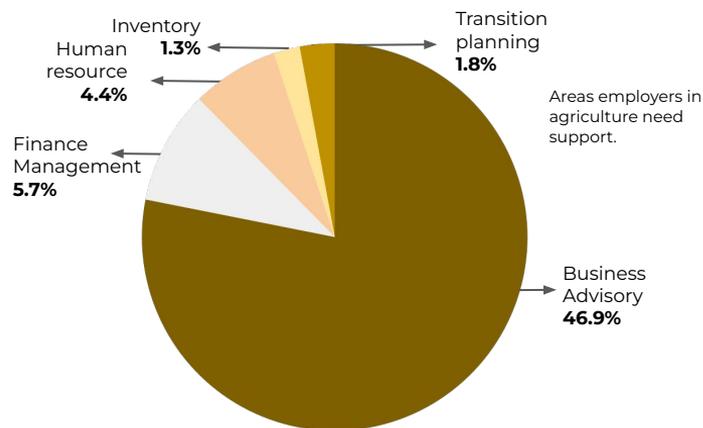
Upskilling and Job readiness: Agribusiness owners face difficulties finding skilled talents who understand the sector and are interested in working in it. There are limited contemporary training institutions that train, empower, and prepare young people for productive work in agriculture production and agribusiness.



Findings show that women's participation is increasing due to government policies and value chain support, including financing, fertilizer programs, outgrowers, seeds, and irrigation initiatives. Women are more represented in harvesting, food processing, and value addition than in cultivation, management, and distribution networks, especially in rural areas. Although communal lands facilitate access to lands, women still face significant cultural and policy constraints. Generally, young people recognise the sector's potential, but constraints exist in unlocking attractive returns. Recently, young people have perceived agriculture as the most risky business venture due to high operational costs and an unfavourable business ecosystem.

Agribusiness owners need help finding skilled talents who understand the sector and are interested in working in it. This results from limited existence and access to formal and contemporary training institutions that train, empower, and prepare young people for productive work in core agriculture production and agribusiness. In the Northern region, young individuals face challenges in finding contemporary agribusiness opportunities, as older farmers dominate the sector and may not embrace modern practices. However, technology presents significant potential for the industry, with enablers like CCTV for farm supervision and drones for irrigation. Yet, small-scale farmers encounter barriers to adopting technology due to its socio-economic costs.

About 81.75% of employers source talent through word of mouth, 5.96% use social media, 4.56% use recruitment websites, and 1.75% use cooperative associations. Despite this, 90% of surveyed employers believe that technology could enhance hiring, 90% have access to regular internet and 98.54% to mobile or smartphones. The top three factors driving hiring include business expansion (66.52%), skills shortages (13.48%), and new projects (11.74%), with staff attrition being the least factor at 8.26%. Operational costs have risen by at least 30% for agribusiness owners, leading to customer loss and reduced profits; business owners require support in accessing markets, reducing transportation and other operational costs, and addressing informal taxation on farm produce to foster business growth and development.





Creatives

This section examines informality in the creative sector, including catering and events, fashion and design, entertainment, art and design, decoration, creative writing, poetry, skit-making, cinematography, and hair styling. The creative industry has significantly contributed to youth and women's employment in Nigeria.





The Creative Sector and Informal Employment

The creative sector is the second largest employer of labour in Nigeria. The sector employs over 4 million people based on aggregated data from various sources. Across regions of the country, there is a growing representation of self-employed youth and women in the sector due to the strong sense of purpose that young people find in the space, the social attractiveness of creative skills, and the unique work expressions it affords. The creative industry has expanded in the last decade from fashion and design to beauty and lifestyle, content creation, and skit-making. However, urban creative activities are largely unregulated, with workers engaged in undefined informal employment situations.

Across regions of the country, there is a dearth of an integrated, defined pool to identify, attract, retain, and hold talent to agreed standards of practice locally, heightening the risk of talents being exploited and gaining less reward for their work.

Creatives mostly rely on fragmented informal upskilling approaches across social media-YouTube videos, online courses, informal peer chats, and mentorship. Finding local sponsorships for expensive technical training affects the mobilisation and readiness of local talent to access opportunities. For instance, creatives in the entertainment industry need personalised strategies for commercialising their skills and building profitable brands but face significant challenges accessing and securing talent managers due to uncertain and undefined periods of returns on investments.

Creatives generally affirm that skills are under-rewarded as much as local demand exists. Evidence suggests that stakeholders in more traditional contexts need to be in tune with the trends in the sector and, as such, cannot optimise talents as human capital to grow the local business. Conversely, cultural and religious influences uniquely hinder growth in specific sectors like makeup, gele tying, modelling, and modern fashion. These limitations prompt talent migration to urban centres such as Abuja and Lagos, impacting employee and youth markets available to deliver these services. Although women thrive in traditional crafts, fashion and fabric making, the absence of social mobility affects business growth and expansion; however, many now leverage social media to drive visibility.

Informality in the Creative Sector



Job Creation: According to aggregated data from various sources, the creative sector currently employs over 4 million people. This growing expansion is tied to the strong sense of purpose that young people find in the creative space, the social attractiveness of creative skills, and the unique work expressions it affords.



Markets and Policy: Across regions of the country, there is no integrated, defined pool to identify, attract, retain, and hold talent to agreed standards of practice locally, heightening the risk of talents being exploited and gaining less reward for their work.



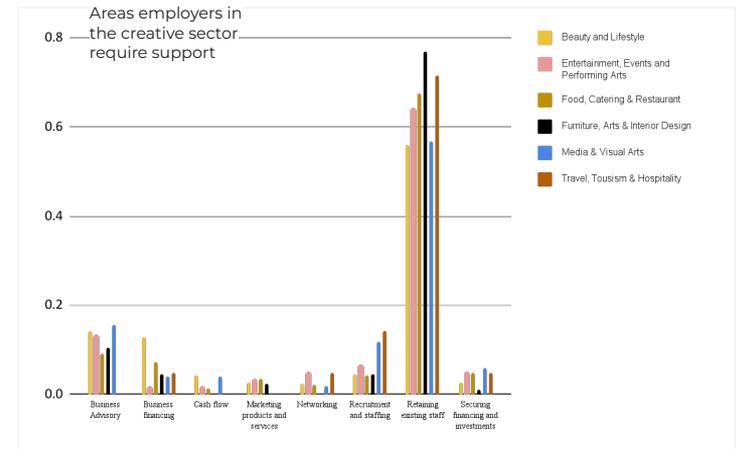
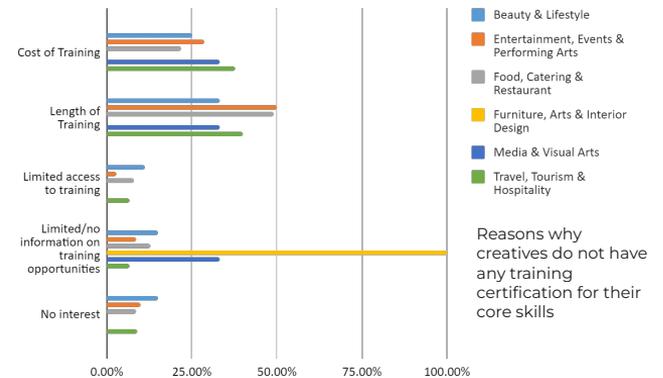
Upskilling and Job readiness: Creatives mostly rely on fragmented informal upskilling approaches across social media, such as YouTube videos, online courses, informal peer chats, and mentorship. Finding local sponsorships for expensive technical training affects the mobilisation and readiness of local talent to access opportunities.



Informal business networks and peer collaboration are notable trends among young people in the industry. Creatives are mostly unaware of existing traditional associations or uninterested in engaging them. Opportunities for skills development, income, and employment are not evenly spread or readily available as creatives noted that access to opportunities is primarily based on the grounds of nepotism, tribalism, and favouritism. However, in the age of digitisation, social media has levelled the barriers to the market, facilitating visibility for skills and talent sourcing. This trend has also lowered barriers to content creation, production, and distribution of creative content, promoting women's growing interest in acquiring tech-creative skills.

Compared to other sectors, creatives work in spaces independent of their homes. About 60.71% of surveyed creatives work in spaces independent of their homes and 12% in spaces attached to their homes (18.87% in visual arts and 13.77% in beauty and lifestyle). Employers in catering and restaurants (1.17%) and events, entertainment, and performing arts (1.14%) tend to employ more staff between 20 and 39. Insights from data show that over 50% of employers in media and visual arts prioritise educational qualifications like HND (52%) and OND (22%), with only 10% prioritising technical skills, unlike employers in beauty and lifestyle, entertainment, food, catering and restaurants who prioritise technical or vocational skills with a minimum of SSCE when hiring.

Unstructured working conditions in the creative sector contribute to a higher risk of sexual harassment, especially for women. Despite this, many instances of harassment go unreported, with over 50% of respondents opting to handle the situation themselves. Other issues, including poor standardization, Intellectual Property rights, and copyrights, require Improvement in work regulation policies and enforcement mechanisms. Human resource management seems to be the most significant issue for employers. Creatives noted they needed support with strategies to retain existing staff, recruitment and staffing, and business advisory.





Digital

This section examines informality in the digital sector which includes digital marketing and affiliate marketing, software development, and fintech; financial services; Point of Service agents (POS), and technology.





The Digital Sector and Informal Employment

The Digital sector is the country's third-largest employer of labour and one of the fastest-growing sectors in GDP contribution and employment creation. According to the NCC, the digital sector has created over 2.5 million jobs in the last decade. Income and employment opportunities have continued to expand, given the increase in tech-enabled roles as tech start-ups continue to innovate across finance, education, health care, agriculture, logistics, and a host of other industries leveraging technology to scale. Conversations on informality mainly approach the sector as a tool for expanding and facilitating access to markets and generally optimising the informal sector. However, there are interesting expressions of informality within the digital sector and the digital labour force.

The tech space is evolving quickly, and employers are concerned about the ecosystem producing the right talents. In the last decade (2010 – 2019), tech talents were just picking up new skills, and the market needed at least basic-level skills. However, as the ecosystem grew into the new decade, further impacted by the pandemic, more young people were already armed with basic tech skills – thereby leading to a new wave of saturation at the base level. This period also witnessed an enormous expansion of tech start-ups- with some moving from having 3-5 employees to over 50 employees within a year. Insights from tech talents we engaged show that expansion was minimally “formal” in terms of putting defined structures to roles and rewards.

The tech space has witnessed a democratisation of digital skills training platforms, but the industry is oversaturated with talents at basic proficiency. Training caveats like “get certified in data analytics in 2 months” often distort jobseekers' evaluation of themselves and reward expectations, contributing to a cumbersome talent validation and hiring process, especially for small businesses. “Tech is the new oil” is the perspective of many tech talents. As a result, the motive for learning and getting into the industry is largely hinged on survival or an assumption of “cashing out” within the shortest possible period. In many cases, this mindset affects preparation, readiness for work, talent development, quality of employment, and overall growth of the market and the sector.

Informality in the Digital Sector



Job Creation: The digital sector is one of the fastest-growing sectors in terms of GDP contribution and employment creation. According to the NCC, the digital sector has created over 2.5 million jobs in the last decade. The expansion of income and employment opportunities have been tied to tech innovations across multiple industries championed by tech companies/start-ups



Markets and Policy: Insights from tech talents show that growth and expansion in the digital sector are minimally “formal” in terms of putting defined structures to roles and rewards. Talent sharing is a reality that has come to stay due to the “japa” trend and limited ROI on training investments.



Upskilling and Job readiness: Despite the democratisation of platforms offering digital skills training, the industry is oversaturated with talents with basic-level proficiency. Training gaps distort employees' evaluations of themselves and reward expectations, which, by extension, complicates validation and hiring, especially for small businesses.

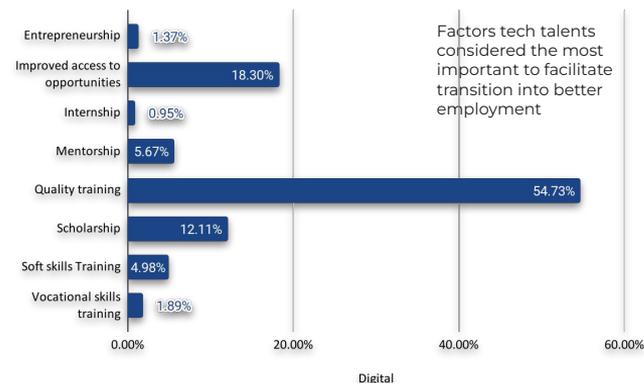


Networks are critical to the sustainability of tech. A disturbing trend among surveyed tech talents across regions of the country is that the path to mastery is largely undefined, with many lacking structured, paid opportunities to “get their hands dirty”. This presents a complex growth transition and, in many cases, leaves half-baked talents aiming for opportunities in the market. Growing concerns exist about no context-fit training opportunities and no ready market to absorb mid and senior-level technology experts. The ‘japa trend’-[massive exodus](#) of talents from the country has further affected upskilling initiatives in organisations as they struggle to ascertain ROI on training due to a high attrition rate. Tech talents scout for Internships and entry-level roles that provide valuable on-the-job experience.

Tech is borderless; as a result, many tech talents prefer to freelance rather than engage in full-time jobs, and this is often associated with unattractive pay in local companies and the drive to keep multiple gigs. Organisations are slowly adapting to the talent-sharing reality, while those not adjusting to this trend are losing talents. Across the regions, there are growing digital training initiatives for women. However, the Northern block has seen a slower-paced upskilling adoption. At least 55% of tech talents surveyed say they do not have access to training due to difficulty in accessing training locations or training costs. CCTV, UI/UX and other digital skills are in high demand, but tech talents need help accessing training and employment opportunities.

The financial services sector is one of Nigeria's most impacted by digital innovations. By implication, the emergence of a rapidly growing and highly competitive fintech ecosystem is expanding opportunities for young people. However, women seem to be left behind. Over 1.3 million registered retail merchants' point-of-sale devices (POS) agents exist. Some registered agents have now become employers hiring staff. Across the sub-sectors, mentorship networking and training are essential for structure, growth, and sustainability. Employers highlighted competence checks as critical needs for optimising business.

A disturbing trend among surveyed tech talents across regions of the country is that the path to mastery is largely undefined, with many lacking structured, paid opportunities to “get their hands dirty”. This presents a complex growth transition and, in many cases, leaves half-baked talents aiming for opportunities in the market.



Across the regions, women are receiving more attention with targeted digital skills training initiatives. The Northern block has seen a slower-paced adoption and upskilling of young people and women. At least 55% say they need access to training due to difficulty accessing training locations or the cost of exercise.



Artisans

This section examines informality in the Artisan industry We consider, skilled workers like plumbers, carpenters, welders, etc.





Informality in the Artisan Sector

The Artisan sector is a key contributor to economic growth and employment. As of 2020, the global artisan market was valued at US\$ 718 billion, almost doubling from its 2017 estimate of US\$526.5 billion. The growth of the services sector and real estate creates opportunities for skilled and unskilled artisans across industries.

Traditionally, most workers in this sector are skilled workers with no formal education or at least basic primary education but have undergone training to be proficient in their trade. The sector's lack of structure or volatility is hinged on uncertainties around access to jobs and poorly defined job roles and experience levels. The sector's volatility does not necessarily stem from the absence of opportunities but the absence of a definite pool of jobs where artisans can readily find opportunities.

Young people essentially find artisanal jobs like plumbing, carpentry, repairs, welding, fabrication, etc., highly socially unattractive, and the duration of training, usually in local apprenticeship arrangements, further affect interests. However, the sector has witnessed many innovations with mobile applications like Runner, Artisan Oga, and Workman, among others, aimed at dignifying these skills, providing visibility for job opportunities, and creating structures that help grow their professions. Digitisation, financial literacy, socialisation, and cultural inclusion are notable trends driving the sector's growth. Most players in the informal space are becoming more mobile-savvy and have started to leverage money management as an essential tool for financial security.

Insights from engagements with employers in the industry show that they value efficiency, which is usually measured with two indices: timeliness and quality of delivery. In the artisan space, however, they seem to hold the perception that many women are biologically disadvantaged in their ability to deliver the job effectively, with only a few breaking the odds. Women tend to be more represented in low-skilled home-based jobs like cleaning, hairdressing, manicures, pedicures, beauticians, etc., which we largely categorised as creative skills. Some biological factors take precedence in deciding who does the job better, not necessarily gender roles.

Informality in the Artisan Sector



Job Creation: The Artisan sector is a key contributor to economic growth and employment. As of 2020, the global artisan market was valued at US\$ 718 billion, almost doubling from its 2017 estimate of US\$526.5 billion. The growth of the services sector and real estate in Nigeria is creating opportunities for skilled and unskilled artisans across industries.



Markets and Policy: Digitization, financial literacy, socialisation, and cultural inclusion are notable trends driving the sector's growth. The volatility of the artisan market does not stem from the absence of opportunities but from the absence of a definite pool of jobs where artisans can readily find opportunities.



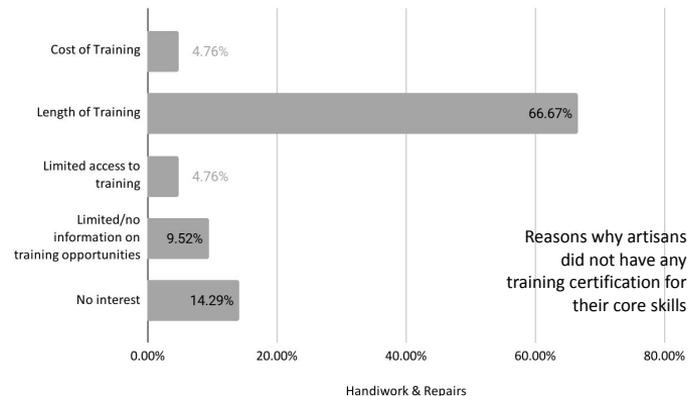
Upskilling and Job readiness: Young people essentially find artisanal jobs like plumbing, carpentry, repairs, welding, fabrication, etc., highly socially unattractive, and the duration of training, usually in local apprenticeship arrangements, further details interests. However, the sector has witnessed a growing number of innovations shifting the narrative.



The Artisan industry offers a pool of talents, but the major challenge stems from the lack of critical skills required to get the job done. While over 80% are proficient in technical skills, they mostly struggle with soft skills gaps like professionalism and effective communication. Similarly, the inability to leverage tech-enabled devices may deter many from tapping into emerging opportunities created by digital platforms aimed at upskilling and empowering artisans. Several upskilling initiatives have been introduced to the industry in the past three years; however, due to the nature of work, the length of training is usually a major hindrance, considering that many depend on daily incomes.

There are existing associations and structures within the space, but most do not serve to enhance the sector or create jobs or more opportunities for growth and sustainability. They primarily support building social relationships for artisans within common trades or businesses but play a minimal role in helping their professional development. However, these associations serve as custodians of data and regulatory initiatives for the industry. The most significant skills gaps in this space are in formal training and certification, both in technical and relational proficiency. This hinders their ability to scale or deliver at desirable levels. Digitisation has been instrumental to the sector's development, exposing the service and efficiency lapses while connecting players to markets and consumers to products and services.

Global demand for local artisans has increased in the past five years, and this trend is also facilitating upskilling attention in the sector. Locally, the top skills in demand within the service sector are electrical, plumbing, and housekeeping. Appliances repair, on the other hand, is increasing in demand but critical skills gaps exist. Recruitment is mainly done through referrals, and businesses generally leverage referrals from component artisans or trusted artisan platforms. Policies should be designed on the tenets of equity and fairness. For this to be possible, the government would have to leverage data that speaks to the reality of workers in the sector.



Global demand for local artisans has increased in the past 5 years and this trend is also facilitating upskilling attention in the sector. Locally, the top skills in demand within the service sector are electrical, plumbing, and housekeeping.



The most significant skills gaps in this space are in formal training and certification, both in technical and relational proficiency. This hinders their ability to scale or deliver at desirable levels.



References

1. Aliyu M. (2016, July 19). Inside the Maigatari Cattle Market. Daily Trust. Retrieved from <https://dailytrust.com/inside-the-maigatari-cattle-market/>
2. Amogunla F. (2021, 27 May). Meet Nigeria's Child Apprentices. *Aljazeera*. Retrieved from <https://www.aljazeera.com>
3. Apex Special Report (2020). Focus on Kaduna State Agricultural Sector. The Proshare Ecosystem. Retrieved from <https://www.proshareng.com>
4. Awokunle F. (2021, March 18). Food Inflation Rate in Nigeria Surges to Highest in over 15 years. Nairametrics. Retrieved from <https://nairametrics.com>
5. Awojulugbo O., (2019, July 8). CBN: Nigeria's Poultry industry now worth N1.6 trillion. The Cable. Retrieved from <https://www.thecable.ng/cbn-nigeria>
6. Awokunle F. (2021). Food Inflation rate in Nigeria Surges to highest in over 15 years. Nairametrics. Retrieved from <https://nairametrics.com>
7. CGIAR (2019) A New Gender Policy on Agriculture in Nigeria. Retrieved from <https://www.cgiar.org/annual-report/performance-report-2019>
8. CGIAR (2020). Youth in fisheries, aquaculture and value chains: A study and foundation for building back better. Retrieved from <https://www.cgiar.org>
9. Christopher Sabatini (2020). Developing social insurance schemes for informal and 'gig' workers Adapting to post-COVID-19 realities. Chatham House. Retrieved from <https://www.chathamhouse.org>
10. Clark, I. (2019). Informalisation in Work and Employment: A Permissive Visibility or Another (Hidden) Inequality?. In: Nachmias, S., Caven, V. (eds) *Inequality and Organizational Practice*. Palgrave Explorations in Workplace Stigma. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-030-11647-7_9
11. CPPA (Centre for Public Policy Alternatives) (2018) Impacts of Food Quality Standards on Agricultural Trade. Retrieved from <http://cpparesearch.org/nu-en-pl/impact-food-quality-standards-agricultural-trade/>
12. David R., & Charlotte A. (2020) The Fourth Agricultural Revolution is coming, who will be benefiting? *The Conversation Africa*. Retrieved from <https://theconversation.com>
13. Ekekwe N. (2021). A Nigerian Model for Stakeholder Capitalism. *Harvard Business Review*. Retrieved from <https://hbr.org/2021/05/a-nigerian-model-for-stakeholder-capitalism>
14. Ekott N. (2020, November). Fishing, worst performing Agrc Subsector in Third Quarter-NBS. *Premium Times*. Retrieved from <premiumtimesng.com>
15. Enhancing Financial Innovation and Access (EFInA). A Deep dive on Nigeria's New Micro-pension Scheme. Retrieved from <efina.org.ng>
16. FIRS (2023, 22 June) Multiple taxation: FIRS Partners MATAN for VAT remittance from informal sector. Press release- *Premium Times*. Retrieved from <premiumtimesng.com>
17. Glen Hepburn (2018) Alternatives to Traditional Regulation. *OECD*. Retrieved from <oecd.org>
18. Ibrahim Shelleng (2023, Nov) The informal sector: The backbone of Nigeria's economy. Retrieved from <premiumtimesng.com>
19. International Labour Organisation (ILO) (2000) ILO and the Informal Economy, an institutional History. *Employment paper*. Retrieved from <ilo.org>
20. International Labour Office (ILO) Policy Integration Department Bureau of Statistics Geneva (2004) Measuring the informal economy: From employment in the informal sector to informal employment. Retrieved from <ilo.org>



References

21. International Labour Office (ILO) (2018). ICLS Resolution on work relationships, 20th International Conference of Labour Statisticians Geneva. International Labour Office (ILO) (2018). ICLS Resolution on work relationships, 20th International Conference of Labour Statisticians Geneva. Retrieved from [ilo.org](https://www.ilo.org)
22. International Labour Organisation (2021) Enterprise Formalisation. Formalise your business in the Gambia Learners Handbook. Retrieved from [ilo.org](https://www.ilo.org)
23. International Labour Organisation (2017). The informal economy: enabling transition to formalization. Retrieved from [ilo.org](https://www.ilo.org)
24. Informal economy in Indonesia and Timor-Leste | International Labour Organization. Retrieved from [ilo.org](https://www.ilo.org)
25. International Monetary Fund (IMF) (2021) Measuring the Informal Economy Retrieved from [imf.org](https://www.imf.org)
26. International Trade Administration Website. West Africa- Country Commercial Guide, Nigeria Market Overview. Retrieved from [trade.gov](https://www.trade.gov)
27. Isaac A. Obembe D. (2020) The influence of informal institutions on informal sector entrepreneurship: A Study of Nigeria's Hand Woven Textile Industry. Retrieved from [tandfonline.com](https://www.tandfonline.com)
28. Ishita M. (2022). Process of Informalization of Employment. ResearchGate. [https://DOI:10.1007/978-981-15-0841-7_7](https://doi.org/10.1007/978-981-15-0841-7_7)
29. Jobberman Nigeria (2021) Agriculture Sector Report. Retrieved from [jobberman.com](https://www.jobberman.com)
30. Jobberman Nigeria (2021) Creative Sector Report. Retrieved from [jobberman.com](https://www.jobberman.com)
31. Jobberman Nigeria (2020) Digital Sector Report 2020. Retrieved from [jobberman.com](https://www.jobberman.com)
32. Jobberman Nigeria (2022) Unmasking the Barriers to Women's Participation in Nigeria's Labour Market 2022. Retrieved from [jobberman.com](https://www.jobberman.com)
33. National Bureau of Statistics (NBS), Nigeria Gross Domestic Product Report (Q1 2022). Retrieved from <https://www.nigerianstat.gov.ng/>
34. National Bureau of Statistics (NBS), 2018 Statistical Report on Women and Men in Nigeria (February 2018); United Nations Department of Economic and Social Affairs, World Population Prospects 2019 (2019). Retrieved from <https://www.nigerianstat.gov.ng/>
35. National Bureau of Statistics (NBS) Q4 2020 Unemployment Report. Retrieved from <https://www.nigerianstat.gov.ng/>
36. Nigerian Association of Small scale Industrialists webpage; National Apprenticeship Training Scheme. Retrieved from [nassi.org.ng](https://www.nassi.org.ng)
37. Odinaka A. (2023, 4 April) Nigerian government implements over 180 ease of business reforms – Presidency. Data Dive Retrieved from [dataphyte.com](https://www.dataphyte.com)



References

38. OECD (2018) Issues note: The emergence of new forms of work and their implications for labour relations.
39. Okonjo-Iweala N. & Osafo-Kwaako P. (2007) Nigeria's Economic Reforms: Progress and Challenges. Brookings Global Economy and Development.
40. Okunade T. (2020) SMEDAN to move 40 million informal businesses to formal sector, registers MSMEs. Nairametrics Retrieved from nairametrics.com
41. Olanrewaju S. A. (2022) Informal Sector Growth, Women Entrepreneurs and the Role of Professional Women Accountants. Retrieved from anan.org.ng
42. Olawoyin O. (2022 May) Nigeria's food inflation hits 22.2% amid increase in bread, energy prices. Premium Times. Retrieved from premiumtimesng.com
44. Olubiyi T. (2021, Feb 15) Informal Economy: A hidden engine of growth. The Guardian. Retrieved from guardian.ng
45. Onyebueke Victor and Manie Geyer (2011) The Informal sector in Urban Nigeria: Reflections from almost four decades of research. ResearchGate. Retrieved from Researchgate.net
46. PWC (2020) Paving the way for financial inclusion in the informal sector- Financial planning and retirement Podcast transcript Episode 28. Retrieved from pwc.com
47. Pwc (2021) Podcast transcript: Episode 28- Paving the way for financial inclusion in the informal sector- Financial planning and retirement. Retrieved from pwc.com
48. PWC (2020) MSME Survey. Retrieved from pwc.com
49. Prime Progress (2023) Scaling The Entrepreneurial Culture That Sustains Nigeria's Southeast Region (PART I). Retrieved from primeprogressng.com
50. The Mastercard Foundation (2020) CGD's Study Group on Technology, Comparative Advantage, and Development Prospects Technology and Employment opportunities in the informal economy. Retrieved from mastercardfdn.org
51. Statista (2024) Number of people living in extreme poverty in Nigeria from 2016 to 2022, by gender. Retrieved from statista.com
52. Shawna B. (2012) Nigerian Informal Economy Workers Demand Decent Work! The Solidarity Center Podcast. Retrieved from
53. The Guardian Labs (2020). The future of work: Forging an inclusive economy. The Ford Foundation. Retrieved from theguardian.com
54. Ufua E., Olujobi A., Tahir H., Okafor V., Imhonopi D., Osabuohien E., (2022) Social Services Provision and Stakeholder Engagement in the Nigerian Informal Sector: A Systemic Concept for Transformation and Business Sustainability. Retrieved from researchgate.net
55. Vanguard (2023, 3, Oct). Create ministry for informal workers ,FIWON urges FG. Retrieved from vanguardngr.com

Contact us



15th Floor, Elephant House,
214 Broad Street, Marina,
Lagos, Nigeria



info@jobberman.com



+234 (0) 211 700 3855



www.jobberman.com

 Jobberman

